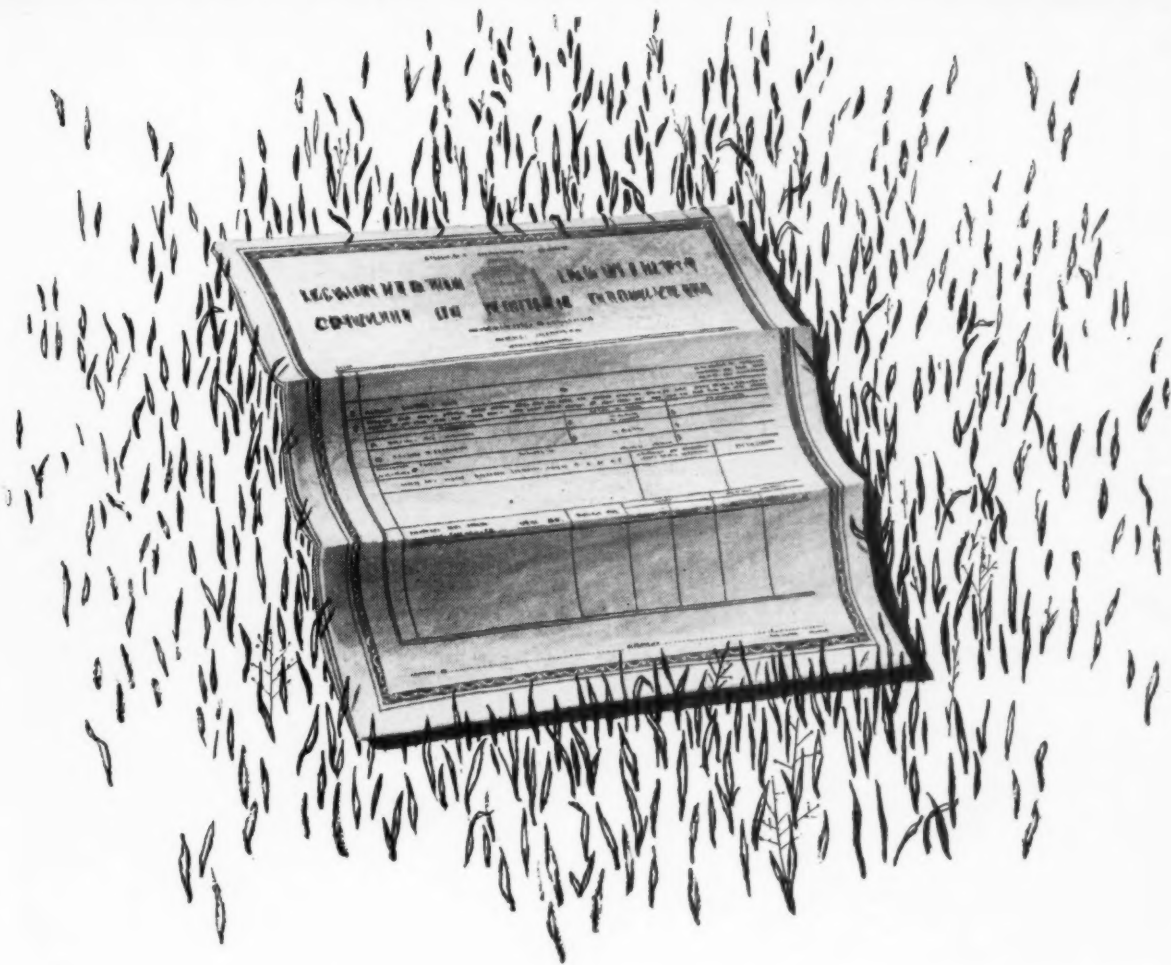


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**FOUNDED IN 1819**, the Aetna Insurance Company takes its name from the famous volcano, which "though surrounded by flame and smoke is itself never consumed." From that day to this—through wars, conflagrations and depressions—no policyholder has ever suffered loss because of failure of an Aetna Company to meet its obligations.



THINK FIRST OF THE AETNA



Fifteen Named in  
Home Executive  
PromotionsH. B. Reinhardt Heads  
List of New Vice-  
Presidents and Secretaries

Fifteen officials of Home have been advanced to higher rank.

Henry B. Reinhardt, treasurer, has been promoted to vice-president and treasurer; Joseph A. Carruth, Walter W. Allen, Walter M. Krieger and Robert G. Bodet, secretaries, have been named vice-presidents and secretaries; John H. Washburn, Percy G. Buck, Warren L. Gravely, secretaries, are now assistant vice-presidents; Glenn R. Edleman, Roy R. B. Attride, Patrick Fitzpatrick, Joseph H. Wilson, Joseph P. Flaherty and Charles H. Mecke, assistant secretaries, have become secretaries, and Otto F. Rieg, division underwriter, has been named assistant secretary. Messrs. Buck, Flaherty and Mecke are at Philadelphia and Mr. Gravely is at Dallas.



H. B. Reinhardt

## Reinhardt 40-Year Man

Mr. Reinhardt, who recently celebrated his 40th anniversary with Home, was elected treasurer in 1945. Mr. Carruth joined the company in 1920 and



J. A. Carruth



W. M. Krieger

was made secretary in 1947. Mr. Allen joined Home in 1937 as assistant manager in the western field office. He became an assistant secretary in 1946 and was made secretary in 1947. Mr. Krieger started with Home in 1937 and was elected assistant secretary in 1943 and secretary in 1947. Mr. Bodet joined Home in 1939, becoming manager of the foreign department in 1947. He was elected assistant secretary in 1949 and secretary in 1950.

## Other Promotees' Careers

Mr. Washburn joined Home's metropolitan department in 1934. After serving in the navy from 1943 to 1946 he returned to Home and was elected assistant secretary in 1947 and secretary in 1950. Mr. Buck began with the company in 1929 and was elected a secretary in 1948. Mr. Gravely was elected assistant secretary in 1947 and in 1949 was made secretary with supervision of all operations in Texas.

Mr. Edleman has been with Home

## 1951 Company Results Given

Surplus in the following company reports refers to surplus to policyholders.

	Premiums Earned	Losses Incurred
American Auto Fire—Assets, \$17,455,778, Incr., \$1,379,968. Loss res., \$1,394,400. Unearned prem., \$7,933,690. Capital, \$1,200,000. Surplus, \$6,807,642, Incr., \$1,130,794.		
Fire	49,233	16,988
Ext. coverage	16,345	9,489
Torn., wind., hail	30	—35
Earthquake	10	125
Inland marine	937,345	526,024
Auto phys. damage	14,010,442	6,174,050
Comp. E.C.	19,826	28,583
Totals	15,033,232	6,755,222

American Auto—Assets, \$71,550,274, Incr., \$869,340. Loss res., \$20,710,134. Unearned prem., \$21,056,952. Capital, \$2,000,000. Surplus, \$22,275,484, Incr., \$1,611,961.

Accident	4,512	1,317
Group A. & H.	416,813	140,688
Workmen's comp.	5,993,446	4,257,559
Liability (not auto)	3,785,876	1,297,357
Auto liability	18,372,517	9,062,918
Auto prop. damage	10,053,450	6,493,048
Auto phys. damage	1,239,689	646,998
Prop. dam. (not auto)	1,303,295	339,195
Fidelity	335,071	184,971
Surety	319,826	232,318
Glass	555,909	298,909
Burglary & theft	1,482,137	645,358
Boiler & machinery	103	—
Totals	43,862,548	23,590,636

American Druggists Fire—Assets, \$3,299,507. Loss res., \$27,829. Unearned prem., \$404,164. Capital, \$750,000. Surplus, \$2,631,205, Incr., \$119,548.

Fire	568,991	159,934
Ext. coverage	47,622	15,309
Totals	616,614	175,244

American Mutual Reins.—Assets, \$2,687,487, Incr., \$249,951. Loss res., \$114,111. Unearned prem., \$479,374. Capital, \$1,125,000. Surplus, \$1,500,000, Incr., \$135,962.

Fire	137,941	97,043
Ext. coverage	579	72,416
Torn., wind., hail	—100	9,946
Sprinkler & water dam.	1,024	566
Expl., riot, etc.	14	3
Earthquake	2	—
Inland marine	1,473	1,520
Auto phys. damage	78,554	98,472
Excess of Loss Reins.	560,149	265,449
Totals	779,637	545,405

Austin Mutual, Minn.—Assets, \$3,238,172, Incr., \$311,722. Loss res., \$22,456. Unearned prem., \$698,194. Surplus, \$2,171,729, Incr., \$146,346.

Fire	430,285	114,157
Ext. coverage	136,045	95,576
Torn., wind., hail	13,961	3,461
Sprinkler & water dam.	23	—
Earthquake	—	—
Crop-hall	635,010	298,904
Inland marine	11,795	2,218
Farm windstorm	577,376	150,234
American Mut. excess of loss reins. prem.	—79,653	39,748
Totals	1,624,844	704,298

Continental Cas.—Assets, \$156,750,526, Incr., \$19,443,717. Loss res., \$52,580,062. Unearned prem., \$41,048,984. Capital, \$7,500,000. Surplus, \$52,307,883, Incr., \$5,481,647.

Inland marine	1,662,822	928,891
Accident	14,288,597	6,590,889
Health	31,061,032	13,967,212
Group A. & H.	17,542,690	11,289,730
Non-Can. A. & H.	248,283	740,848
Workmen's comp.	9,751,313	5,994,882
Liability (not auto)	5,257,698	3,229,789
Auto liability	14,428,771	10,131,299
Auto prop. damage	7,411,940	4,721,736
Auto phys. damage	2,416,760	1,450,170
Prop. dam. (not auto)	952,318	404,315
Fidelity	785,392	189,924
Surety	3,257,118	2,340,325
Glass	774,832	427,651
Burglary & theft	2,038,104	866,056
Totals	111,827,670	62,373,227

since 1930. He was elected assistant manager of the service department in 1941 and became assistant secretary in 1947. Mr. Attride joined Home in 1937. He was made manager of the marine department in 1949 and was elected assistant secretary in 1951. Mr. Wilson started with Home in 1941 and was made manager at Newark in 1947. He transferred to the home office in 1947 as an assistant secretary. Mr. Flaherty joined the company in 1920 and in 1949 was made local secretary at Philadelphia. In 1950 he was elected assistant secretary. Mr. Mecke went with Home in 1927 at Philadelphia office. In 1948 he became assistant secretary.

Mr. Rieg began with Home in 1925. He was made manager of the Cincinnati service office in 1942. He transferred to the home office in 1948 as a division underwriter.

	Premiums Earned	Losses Incurred
Cream City Mutual, Wis.—Assets, \$1,153,008, Incr., \$51,318. Loss res., \$32,729. Unearned prem., \$541,889. Capital, \$1,200,000. Surplus, \$621,069, Incr., \$8.		
Fire	358,732	327,415
Ext. coverage	122,492	104,451
Torn., wind., hail	2,485	3,679
Totals	483,709	435,545

Farmers Home Mutual, Minn.—Assets, \$3,501,024, Incr., \$674,792. Loss res., \$79,898. Unearned prem., \$1,546,397. Capital, \$1,778,327, Incr., \$333,629.

Fire	566,185	220,653
Ext. coverage	226,740	123,461
Torn., wind., hail	9,476	3,858
Farm Cyclone	761,616	221,458
Excess of loss	9,707	8,954
Totals	1,573,724	578,384

Grangers Mutual, Md.—Assets, \$1,365,531, Incr., \$193,105. Loss res., \$59,423. Unearned prem., \$670,034. Capital, \$1,015,588.

Fire	592,132	266,538
Ext. coverage	63,318	24,968
Torn., wind., hail	3,255	1,267
Sprinkler & water dam.	228	—
Expl., riot, civil comm.	2	—
Auto phys. damage	110,424	63,535
Totals	769,362	356,309

Farmers Mutual Hall, In.—Assets, \$8,948,842, Incr., \$271,179. Loss res., \$844,711. Unearned prem., \$1,963,386. Capital, \$5,585,812, Incr., \$811,594.

Fire	482,104	232,232
Ext. coverage	153,977	69,432
Torn., wind., hail	514,736	30,955
Crop-hall	4,071,135	3,681,322
Inland marine	32,864	12,338
Liability (not auto)	8,164	2,920
Auto liability	550,249	412,124
Auto prop. damage	468,799	360,014
Auto phys. damage	850,686	454,499
Burglary & theft	87	—
Auto Medical	66,654	44,039
Excess of Loss-Reins.	127,180	196,160
Totals	7,326,635	5,496,065

Hdwe. Dealers Mut. Fire, Wis.—Assets, \$25,139,041, Incr., \$3,510,976. Loss res., \$852,448. Unearned prem., \$13,329,531. Capital, \$500,000. Surplus, \$9,259,219, Incr., \$1,595,623.

Fire	8,651,880	2,396,074
Ext. coverage	2,023,429	936,621
Torn., wind., hail	4,253	—465
Sprinkler & water dam.	6,925	1,884
Expl., riot, civil comm.	4,952	—207
Earthquake	4,169	—
Inland marine	352,248	201,713
Auto phys. damage	881,444	123,866
Excess Reins.	—75,324	—252,467
Totals	11,853,976	3,407,020

Indiana Lumbermens Mut.—Assets, \$14,114,997, Incr., \$2,196,864. Loss res., \$899,589. Unearned prem., \$8,134,756. Capital, \$4,584,920, Incr., \$921,683.

Fire	5,300,623	1,986,781
Ext. coverage	1,254,081	551,976
Torn., wind., hail	69,036	26,690
Sprinkler & water dam.	23,846	10,877
Expl., riot, civil comm.	1,193	88
Earthquake	9,838	—
Inland marine	206,117	57,989
Auto liability	166,964	64,601
Auto prop. damage	91,341	65,919
Auto phys. damage	908,205	312,493
Auto Medical	16,102	4,278
Comp. Dwelling End.	458	126
Excess	—39,895	—25,667
Totals	8,007,916	2,866,216

Iowa Mutual—Assets, \$8,198,471, Incr., \$1,109,250. Loss res., \$1,511,866. Unearned prem., \$4,683,474. Capital, \$1,318,568, Incr., \$259,259.

Fire	1,372,794	542,466
Ext. coverage	414,652	163,245
Torn., wind., hail	80,912	27,329
Inland marine	198,001	76,311
Workmen's comp.	511,167	233,118
Liability (not auto)	201,097	47,782
Auto liability	1,261,881	769,222
Auto prop. damage	884,213	771,434
Auto phys. damage	1,806,335	936,026
Prop. dam. (not auto)	66,262	30,548
Glass	54,663	31,200
Burglary & theft	79,645	28,162
Medical	178,172	88,476
Totals	7,109,794	3,806,319

Keystone Auto. Club Cas.—Assets, \$12,402,700, Incr., \$1,393,032. Loss res., \$2,341,599. Unearned prem., \$4,306,314. Capital, \$1,000,000. Surplus, \$4,507,722, Incr., \$89,134.

Fire	50,467	15,687
Ext. coverage	14,157	8,405
Accident	115,210	25,929
Liability (not auto)	7,786	442
Auto liability	2,889,458	1,187,673
Auto prop. damage	1,547,082	944,290
Auto phys. damage	2,467,726	1,110,219
Prop. dam. (not auto)	1,937	880
Burglary & theft	8,741	1,265
Totals	7,092,564	3,299,790

Le Mars Mutual Assn., In.—Assets, \$1,183,469, Incr., \$109,387. Loss res., \$133,150. Unearned prem., \$428,924. Capital, \$55,395.

Fire	65,415	15,674
Torn., wind., hail	24,574	14,010
Auto liability	140,555	61,983
Auto prop. damage	133,297	89,515
Auto phys. damage	326,866	140,235

(CONTINUED ON PAGE 12)

W. W. Corry Named  
Executive V.-P. of  
National Fire GroupMany Officers Are  
Promoted and Five Win  
Assistant Secretary Title

HARTFORD—Numerous officers of the National Fire group have been promoted and five new officers have been elected.

W. W. Corry, formerly vice-president

and secretary, was advanced to be executive vice-president and secretary.

Each of the following was promoted to vice-president and secretary: Assistant vice-president and Secretary R. A. Dwyer; Secretaries S. H. Ashton, E. H. Clarkson, W. O. Minter, F. F. White and A. J. Wyatt.

Six assistant secretaries were promoted, each being given the title of secretary: C. J. Adams, J. C. Beacom, R. D. Blanco, W. F. Frakes, R. E. Mullen and W. Neill.

Five new assistant secretaries were elected: R. J. Anderson, agency superintendent; R. G. Denne, assistant to home office counsel; K. G. Johnson, auditor; E. F. Langan, superintendent of the compensation and liability department; and J. L. Shaw, agency superintendent.

## Career of New Executive V.-P.

Mr. Corry is a graduate of Rensselaer Polytechnic Institute. His early experience was in the engineering field with New York Public Service Commission, National Board and Arkansas Actuarial Bureau. He joined National in 1920 as special agent in Pennsylvania and was called to the head office in 1927 and made assistant secretary in 1929. He became vice-president and secretary in 1943. He is on the Advisory Board of Hartford College of Insurance, the executive committee of Factory Insurance Assn., chairman, executive committee Central Traction & Lighting Bureau, and serves on the governing committee of Multiple Location Service Office.

Mr. Dwyer joined National in 1929 after attending Yale. He was made special agent in Pennsylvania in 1932, recalled to the head office in 1939, made assistant secretary in 1940 and secretary in 1944. He served in the navy and returned to National in 1946 and was made assistant vice-president and secretary in 1949.

Mr. Ashton joined National in 1926 as special agent in New England after considerable experience with the Michigan and Wisconsin Inspection Bureaus. He was made assistant secretary in 1940 and was elected secretary in 1944.

Mr. Clarkson went with National as special agent in Oklahoma in 1938, became assistant secretary in 1940, served in the navy and was made secretary in 1946. He is a graduate of University of Oklahoma.

Mr. Minter joined National as special agent in Virginia in 1920 and after considerable experience in other fields was transferred to the head office in 1928 and became assistant secretary in 1929, secretary in 1940.

Mr. White joined National in 1923 as



W. W. Corry

## U. S. Chamber to Seek Greater Insurance Aid

### Insurance Committee Moves to Give Impetus to Program of Action

WASHINGTON—The U. S. Chamber of Commerce insurance committee meeting here voted opposition to the Kilday military servicemen's survivors' benefit contributory fund bill, which it charged would set up a "fourth layer" of life insurance benefits for service personnel.

The committee took action to carry into national insurance associations and organizations the chamber's campaign of action on the six basic issues of social legislation, taxation, economic education, labor relations, government economy, and foreign policy.

Chamber speakers will be put on programs of conventions of insurance associations, it is proposed.

The insurance committee reaffirmed approval of plans for the hemispheric insurance luncheon May 14 at the Waldorf Astoria at New York. It also approved outline of program for the fourth western hemispheric conference during the week of Sept. 7 at the Waldorf.

A. L. Kirkpatrick, manager of the chamber's insurance department, said 100 insurance executives from outside the U. S. are expected to attend that meeting and that at the banquet Sept.

## Adjuster Group Leaders Confer

About eighty attended the luncheon in connection with the meeting of the central division of National Assn. of Independent Adjusters at Chicago. This was the day before a two-day meeting of the executive committee of the adjusters association and hence there was quite a round-up of national leaders. There were about 40 members at the regional meeting and the luncheon attendance was augmented by insurance company and organization representatives from Chicago.

John D. C. Roane of Baltimore presided at the executive committee meeting and R. M. Hill of Detroit presided at the luncheon and at the regional meeting in the absence of Regional Vice-president F. M. Clements of Detroit who was ill. Making the longest trip to be there was E. H. Bockius of San Francisco who is executive vice-president of the association.

Ralph Doolittle who is connected with the John Roane organization at Clarksburg, W. Va., has been appointed general chairman for the annual convention, which will be held at the Greenbrier, White Sulphur Springs, W. Va., July 3-5.

11,000 will be in attendance. John Diemand, North America president, will be toastmaster.

Attendance at the committee meeting was 15. Carl N. Jacobs, president of Hardware Mutual Casualty, the chairman, presided.

Among outsiders invited in as guests at the meeting were Howard Starling, Washington representative of Assn. of Casualty & Surety Companies; Philip L. Baldwin, executive vice-president National Assn. of Mutual Insurance Agents, and Maurice Herndon, Washington representative of N.A.I.A.

## Day Agrees to 20% Ill. Collision Hike

An increase in collision rates of 20% became effective in Illinois on Feb. 18 following an agreement reached between National Automobile Underwriters Assn. and Insurance Director Day. A proposed adjustment of collision rates was part of a general P.H.D. rate revision program filed in Illinois based upon statistical data for the 12 months ended Sept. 30, 1950. This filing was disapproved by the Illinois department last month with a request for more figures. Subsequently N.A.U.A. appointed a subcommittee of two company executives who had a conference with Mr. Day earlier this month. Figures were then produced showing that the experience has been growing steadily worse during the last year and a half with losses on collision being the heaviest. On the basis of these figures, immediate relief on collision was sought and obtained with the understanding that a further review of experience on all coverages on the basis of detailed statistical data for the year ending Sept. 30, 1951, would be undertaken as soon as available.

The new rates apply to all N.A.U.A. members and subscribers on all new and renewal policies written on or after Feb. 18 and on all policies effective on or after April 1, regardless of when written.

## Korean Fire Safety Is Directed by Field Man

The Korean government under the minister of home affairs is receiving assistance in the development of fire safety programs for the entire area below the 38th parallel from Capt. Thomas L. Tilton, attached to the United Nations civil assistance command of the Eighth U. S. army.

Capt. Tilton was formerly a field man for Springfield F. & M. located at Baltimore, before being recalled to active service in the army.

His interest in town inspection activity of the Del.-Md.-D.C. Insurance Field Club suggested the use of fire prevention material distributed by National Board and Eastern Underwriters Assn.

Fire prevention posters, folders and other data will be used throughout Korea, and fire safety films are being sent together with radio spot announcements to complete the program being prepared by Capt. Tilton.

The fire chief at Pusan, Korea, and the Korean minister of home affairs are actively supporting the program.

## \$50 Deductible Rates Up in Pa., \$100 Plan Cost Cut

An over-all state-wide average increase of 14.3% in the \$50 deductible collision rates is provided in the new tariff of National Automobile Underwriters Assn. which Commissioner Leslie approved for use in Pennsylvania effective Feb. 18. There is an average state-wide reduction of 11% in the \$100 deductible form and as a result of this revision there is a widening of difference between the two deductible plans on private passenger cars.

There is an average reduction in rates for comprehensive coverage of less than 1%.

In both Philadelphia and Pittsburgh, including the suburban territories of both, there is an increase in the \$50 deductible rates of about 24% whereas there is no change in those places on the \$100 form. There is no change in the \$50 deductible rates in the Scranton-Carbondale, Wilkes-Barre, Pittston and Dutch counties territories but there is a decrease of about 20% in those areas on the \$100 deductible. In the remainder of the state there is an increase of 7.6% for \$50 deductible and a decrease of 15.4% for \$100 deductible.

A. D. Ellis has purchased the Stanley Hartley agency at Centuria, Mo.

## Wage-Hour Status of Field Men Excites Interest

### Also Position of Casualty Inspectors and Auditors Is Uncertain

Some interest has been expressed in the Feb. 7 news item stating that one large company had acceded to the interpretation of the wage hour division of the U. S. labor department, that special agents earning less than \$3,900 are not outside salesmen and therefore come under the wage-hour law.

At least one other large company group in New York was examined also last year, and the result was the same. The companies have reclassified such employees. There appears to be a disposition on the part of the wage-hour division to forego application of the reclassification retroactively.

At least two and probably more large company groups in the east have reclassified field men in the under \$3,900 category, on the advice of counsel that reclassification cannot be successfully opposed.

The wage-hour representatives base their arguments in part at least on the early-1950 re-definition of outside salesmen by their government division.

It is understood that the wage-hour people are also contending that casualty inspectors and auditors are not administrative employees.

Labor Secretary Tobin has filed a civil action in Connecticut federal court against Hartford Steam Boiler charging violation of the wage-hour law, specifically section 7 and 15 A2.

The complaint charges that the company has employed many of its employees for longer than 40 hours a week, without compensating them "at rates not less than 1 1/2 times the regular rate."

It is understood that Hartford Steam Boiler uses the so-called Belo type contract, along with a good many other insurers, and there is considerable interest in the litigation. It could conceivably raise all of the points which have been debated by insurers and wage-hour representatives.

The greatest problem seems to exist in the \$3,900 to \$5,200 wage bracket. At \$100 a week the division examiners assume that the employee is administrative and not subject to the act.

In the case of the large New York company group, the decision was that special agents in that bracket are administrative. This is true also of claims men. But as to inspectors, auditors, etc., a number of measurements are applied, such as responsibility; Does the employee himself do more than 20% of the work, etc.? and the classification depends on what the measurements show.

## N. W. Mutual Fire Sets New Records, Report Shows

Northwestern Mutual Fire of Seattle reports a year of growth in its new financial statement. A new high was reached in volume of business written and assets and surplus were substantially increased.

Net premiums reached \$18,952,951, which was an increase of 11%. Assets totaled \$34,414,397, and surplus \$11,841,715.

Northwest Casualty, subsidiary of the Northwestern Mutual, enjoyed a favorable year of operation. Assets increased to \$14,889,315 and net premiums written were \$12,014,810.

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British Commercial Insurance Company, Ltd., London, England. (Est. 1908)	New Danish Insurance Company of 1864, Ltd., Copenhagen, Denmark. (Est. 1864)
London and Edinburgh Insurance Company, Ltd., London, England. (Est. 1919)	(Reinsured 71.429% by The General Insurance Company, Helvetia, Limited, St. Gall, Switzerland.) (Est. 1858)
Minster Insurance Co., Ltd., London, England. (Est. 1940)	Arendal Assurance Company, Limited, Arendal, Norway. (Est. 1860)
Reinsurance Company, Salamandra, Ltd., Copenhagen, Denmark. (Est. 1918)	Lloyd Marocain d'Assurances. (Est. 1940)
(Reinsured 71.429% by The Swedish Reinsurance Company, Aequitas, Ltd., Malmo, Sweden) (Est. 1944)	Compagnie Africaine d'Assurances. (Est. 1950)
The Private Insurers Ltd., Copenhagen, Denmark. (Est. 1786)	The Seven Provinces Insurance Co., Ltd., The Hague, Holland. (Est. 1918)
The Copenhagen Marine Insurance Association, Ltd., Copenhagen, Denmark. (Est. 1852)	The New First Netherlands Insurance Co., Ltd., The Hague, Holland. (Est. 1925)
Reinsurance Company, Rossia, Ltd., Copenhagen, Denmark. (Est. 1918)	Vanguard Insurance Company, Limited, Sydney, Australia. (Est. 1951)
	Eagle Insurance Co., Ltd., Paris, France. (Est. 1921)
	Sun Insurance Co., Ltd., Paris, France. (Est. 1865)

Excess Lines      Inquiries Invited      Surplus Lines

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## Pearl Assurance Company, Ltd. (United States Branch)

19 Rector Street, New York 6, New York

### FINANCIAL STATEMENT — December 31, 1951

Assets		Liabilities	
*Bonds		Unearned premium reserve	\$ 9,296,192.82
Government	\$8,608,890.09	Losses in process of adjustment	1,370,737.00
Railroad	202,499.79	Reserve for taxes	237,016.85
Industrial and Miscellaneous	69,690.00	Reserve for all other liabilities	542,705.02
	\$ 8,881,079.88	Contingency reserve	\$ 117,799.88
*Stocks		Statutory Deposit	\$50,000.00
Railroad	\$ 202,400.00	Surplus	6,598,221.09
Public Utilities	2,692,406.00	Surplus to Policyholders	7,566,020.97
Bank and Insurance	2,811,186.98		
Industrial and Miscellaneous	1,242,770.00		
	6,948,762.98	TOTAL	\$19,012,672.66
Cash and bank deposits	1,334,861.02		
Premium balances receivable not more than 90 days past due, less reinsurance premiums due to other companies	880,494.93		
Reinsurance recoverable on paid losses due from other companies	883,878.53		
Other admitted assets	83,595.32		
Total Admitted Assets	\$19,012,672.66		

\*Valuations on basis approved by National Association of Insurance Commissioners. Securities carried at \$960,000.00 are deposited as required by law.

## The Eureka-Security Fire and Marine Insurance Company

Corporate Office: 1423-4 Carew Tower, Cincinnati 2, Ohio

Chief Office: 19 Rector Street, New York 6, New York

### FINANCIAL STATEMENT — December 31, 1951 (New York Basis)

Assets		Liabilities	
*Bonds		Unearned premium reserve	\$ 8,038,723.35
Government	\$8,846,785.77	Losses in process of adjustment	1,187,356.00
Railroad	268,237.36	Reserve for taxes	219,339.08
Industrial and Miscellaneous	65,860.00	Reserve for all other liabilities	208,972.19
	\$ 9,180,883.13	Contingency reserve	\$ 104,556.63
*Stocks		Capital	1,000,000.00
Railroad	\$ 26,500.00	Surplus	3,469,691.18
Public Utilities	2,402,492.00	Surplus to Policyholders	4,574,247.81
Bank and Insurance	695,635.85		
Industrial and Miscellaneous	666,652.50		
	3,791,280.35	TOTAL	\$14,228,638.43
Cash and bank deposits	629,833.39		
Premium balances receivable not more than 90 days past due, less reinsurance premiums due to other companies	228,060.60		
Reinsurance recoverable on paid losses due from other companies	320,270.71		
Other admitted assets	68,310.25		
Total Admitted Assets	\$14,228,638.43		

\*Valuations on basis approved by National Association of Insurance Commissioners. Securities carried at \$651,512.67 are deposited as required by law.

## Monarch Fire Insurance Company

Corporate Office: 320 Bulkley Bldg., Cleveland 15, Ohio

Chief Office: 19 Rector Street, New York 6, New York

### FINANCIAL STATEMENT — December 31, 1951 (New York Basis)

Assets		Liabilities	
*Bonds		Unearned premium reserve	\$2,446,346.52
Government	\$3,014,481.53	Losses in process of adjustment	260,720.00
Railroad	93,600.00	Reserve for taxes	65,372.86
	\$3,108,081.53	Reserve for all other liabilities	64,895.88
*Stocks		Contingency reserve	\$ 65,020.03
Railroad	\$ 22,200.00	Capital	\$19,336.00
Public Utilities	\$15,114.00	Surplus	1,317,767.85
Bank	159,512.00	Surplus to Policyholders	2,202,123.88
Industrial and Miscellaneous	361,474.00		
	1,358,300.00	TOTAL	\$5,139,479.14
Cash and bank deposits	289,050.50		
Premium balances receivable not more than 90 days past due, less reinsurance premiums due to other companies	6,217.57		
Reinsurance recoverable on paid losses due from other companies	355,134.99		
Other admitted assets	22,694.45		
Total Admitted Assets	\$5,139,479.14		

\*Valuations on basis approved by National Association of Insurance Commissioners. Securities carried at \$317,862.08 are deposited as required by law.

## National Body Acts in Detroit Public Adjusters' Mess

National Assn. of Public Insurance Adjusters is taking a hand in the "unfortunate and regrettable" situation at Detroit where the business-getting tactics of the adjusters have been receiving front page newspaper treatment.

Harold Warren, a fire repair contractor who also has a public adjuster's license—has been at the center of the controversy. His role as contractor allows him to solicit business at night during hours that have been ruled restricted for public adjusters.

William Goodman of Baltimore, president of National Assn. of Public Adjusters, has written Mr. Warren asking him to discontinue soliciting contracting business at night.

Mr. Goodman's letter to Mr. Warren follows:

"As you know, a meeting of the executive committee of the National Assn. of Public Insurance Adjusters took place in New York on Feb. 11, 1952. Mr. Charles I. Jacobson, who is

associated with you, appeared at the meeting and advised those present fully as to the unfortunate and regrettable situation which recently occurred in Detroit. (The reference here is to the newspaper publicity and an attendant meeting called by the district attorney at which the matter of the legality of using short wave radio to intercept fire department calls was discussed.)

### "Unsatisfactory and Regrettable"

"The entire matter was carefully considered and it was the unanimous opinion of the executive committee that your operating a construction firm indirectly connected with the adjusting firm in which you are a member, is a very unsatisfactory and objectionable situation. However, it was realized that this method of doing business in this area is not regarded as improper and has continued for quite some time. It appeared clearly to the meeting that the recent problem originated primarily because your construction firm solicits jobs outside of usual business hours. This night solicitation, with all its attendant evils, is deplorable enough when done by those who are contractors only. In your case, in view of your dual position, it is even more objectionable.

"I have been requested by the executive committee to urge you strongly to have your contracting business cease and desist henceforth from any solicitation of fire loss repair jobs other than during the hours of the usual business day. You can well understand that the conditions which gave rise to the damaging and adverse publicity in Detroit are not only harmful to public insurance adjusting in Michigan, but all over the nation. We have made repeated and conscientious efforts to help the Detroit adjusters solve their problems. We are advised that the consolidation of the Detroit adjusters has resulted in increased prosperity for all of you. It is not always possible to improve conditions without sacrificing something in order to do so. In your case, we feel that your refraining as aforesaid is a small price to pay under the circumstances."

## Broker's License Denied After Fraud Hearing in Ill.

After a formal hearing by the Illinois department, Craighton Leiter, Chicago broker, was denied a license. From evidence presented, Director Day and the hearing officer, Ramon L. Hanson, concluded that Mr. Leiter had converted to his own use cash surrender values belonging to policyholders of Rockford Life, which he formerly represented, and that he had also failed to remit to the company certain premium collections.

It was charged that Mr. Leiter did not return the cash surrender value of a policy to the policyholder after the company had paid the cash. The amount involved was about \$300. It was alleged that Mr. Leiter had returned only about \$35 to the policyholder and had requested a receipt signature for the full amount. The policyholder refused. The fraud was discovered when the policyholder applied to the company.

It was also charged that Mr. Leiter did not remit a balance of \$150 due his company on premium collections.

The Illinois code establishes specific grounds for revoking a broker's license, among which are fraudulent and dishonest practices, misappropriation of fiduciary funds and failure to demonstrate trustworthiness and competency to transact insurance business.

## Agency Licensing Path in Minn. Made More Exacting

Commissioner Nelson of Minnesota has taken steps to make the path to agency and solicitor licensing more exacting. A new study manual has been brought out that will be the basis for examinations. This was gotten up in collaboration with representatives from all segments of the business. It replaces a manual that was printed seven years ago. The book runs to 124 pages.

In life insurance the old question and answer plan has been eliminated and instead there is a syllabus outlining the subjects on which the candidate should be informed. The Q and A plan is retained for all other lines but the questions and answers for study are greatly expanded.

Mr. Nelson at the same time issues an order directing the insurer to get an outside credit and character report on newly appointed agents. The insurer must certify to the department that this report has been obtained and that it discloses no blemish.

There will be no waiting period prior to the first examination for license, although the application for license must be on file before the examination can be taken. There will be a 30-day waiting period before taking a second examination after failure on the first and after that there will be a 90-day period.

Leo V. Sears, special agent at Seattle for Deans & Homer, spent a number of days in Columbus Hospital there after he was run down by a young driver near his home. Fortunately, he sustained no serious injuries.

## Box Car Figures Found in Home's 1951 Statement

New high levels in volume of business transacted, net premiums earned, net premiums written and assets were attained by Home during 1951, according to announcement of President Harold V. Smith. Net income earned was \$15,744,743 as compared with \$12,573,209 in 1950, and better than \$17 million was added to surplus. Last year, Mr. Smith declared, Home again wrote more business than any company writing similar classes throughout the world.

Home originated a business amounting to \$203,777,649 compared with the previous record of \$181,027,116 in 1950, an increase of 12.6%. Net premiums retained increased to \$179,685,841, a gain of \$16,747,086; net premiums earned amounted to \$169,752,941, an increase of \$14,507,167.

Assets rose to \$374,933,360, a gain of \$16,775,790. Cash or equivalent amounted to \$148,800,056, or 39.7% of assets. Surplus as regards policyholders reached \$160,351,447 compared with \$143,241,157.

Net investment income amounted to \$8,271,538, compared with \$8,941,771 in 1950. A profit of \$5,213,696 was realized in 1951 from sale or redemption of securities, compared with \$324,127 in 1950.

Underwriting operations for 1951 showed a profit of \$2,883,477 compared with \$5,968,933 in 1950. This reflects the carryover into 1951 of a large percentage of the total of 156,371 windstorm losses incurred on Nov. 25, 1950 which were reported and paid in 1951.

The ratio of losses incurred to premiums earned in 1951 was 54 compared with 52.1 in 1950, while the ratio of expenses incurred (exclusive of federal income taxes) to premiums written was 41.9 in 1951 compared with 41.6 in 1950.

The outlook for fire insurance in 1952 "should be one of widening opportunities," Mr. Smith said. "The number of homes is still increasing, business and industry are still seeking new horizons."

## New Seattle Salvage Office

Underwriters Salvage Co. has established a new office at Seattle with E. M. Butler as special agent in charge. Temporary offices are in the Dexter Horton building.

The company plans to erect a \$60,000 structure in the industrial area in Seattle. In addition to offering facilities for fire and marine salvage operations, there will be an automobile lot for the handling of salvage on wrecked cars.

William Swanson, Portland, continues as state agent in charge of overall operations in Washington, Oregon and Idaho.

Glenn D. Hussey, well known Topeka agent, has been elected a director of National Bank of Topeka.

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## Savings Bankers Talk Shop At Annual Meeting

The annual meeting of the New York State Savings Banks Insurance Forum featured an audience participation question and answer session on everyday working problems of the savings bank insurance manager.

Benefits from development of multiple line policies for savings banks as mortgagees were outlined by Thomas E. Walton, Jr., assistant secretary of North America.

The North America package policy to date has only been approved in California and Pennsylvania. The company has held off pressing for acceptance in other states because it is working through Multiple Peril Insurance Rating Organization in cooperation with other companies in the interest of policy uniformity and for the overall good of the industry and the public, Mr. Walton said.

### Administration Problems

Several of the savings bankers wanted to know what legal effect package protection would have on their authority to collect premiums and hold them in escrow to pay for fire insurance on the mortgagor's home. Under the real property law they have authority to do this only with fire insurance. There may be some problems when mortgagors are buying additional protection in a single package.

Some change of procedures may be necessary when package policies are more widely used. The banks do not want to be held liable for not having bought insurance when they feel it was the duty of the mortgagor himself to buy it. There is a problem of getting releases from insured mortgagors.

The new type policies also have presented a problem to some savings bankers in their program of microfilming records. Insurers have tried to make package policies simple in form. They did not want several different policy limits written on the face of the policy which would leave insured in doubt as to how much protection he had for the various lines in the package. When the limits are typed elsewhere on the form it complicates the microfilming project.

### Housing Project Cover

Paul S. Williams, executive vice-president of the Summer agency at Teaneck, N. J., reviewed Federal Housing Administration 608 loans and the various hazard insurance requirements and policy forms. These are garden-type apartment projects.

His talk covered many of the intricate and technical details of complying with the government's requirements. Included in his analysis were suggestions that banks arrange to have one servicing mortgagee handle all the details on any one mortgage to avoid duplication of calls to insured and agents. He said banks need not accept binders only since policies can be delivered even with very high limits by any established agent.

Mr. Williams discussed some of the possible duplications in coverage and consequently duplications in premium that may arise. He reviewed various methods of insuring these projects in an economical manner. Each project has specific problems and requires special attention.

This is a specialized and limited field, he said, and any agent entering it would require special boning up on government forms as well as mortgagor-mortgagee insurance practices.

Mr. Williams believes that there is somewhat of an inflation hedge in an 80% coinsurance clause in that there are certain non-recurring costs such as those of title search, blueprints and others in addition to the fact that some original costs are inflated. These, he said, would take up some of the slack. He said, however, that the inflation and insurance to value questions should be

checked on renewal.

William Leslie, general manager of National Bureau, reviewed the history of the bureau and some of the current troubles in the casualty field including the lack of an auto insurance market.

### Need More Profits

He told the bankers that the casualty companies needed a 5% instead of a 2½% profit and contingency loading in their rates similar to that of fire insurers. Over the last 21 years, he said, casualty companies have made only .7 of 1% underwriting profit. He didn't believe investment earnings should be considered in the return on insurance stock. Even if there were a 5% profit, he said high federal taxes are knocking

margins down and that companies perhaps should be entitled to 10%.

One of the idiosyncrasies that has developed under the differential in fire and casualty company underwriting profits is that fire companies expanding into the multiple line field find they are not allowed to make as much money on their casualty underwritings as they are on their fire.

George P. Slayback, of the Brooklyn Savings Bank, was chairman of the meeting. The afternoon session was followed by a reception and dinner. The dinner speaker was Ralph Brooks, coordinator of governmental affairs, Commerce & Industry Assn. of New York. His subject was "Creeping Socialism Now in Full Gallop."

## Form Buyers Group at L. A.; Parrett Is President

Southern California Insurance Buyers Assn. has been established in affiliation with National Insurance Buyers Assn.

President is J. T. Parrett of Carnation Co.; vice-president, W. K. Stanley, Kaiser Steel Corp.; treasurer, G. P. Kohl, California Bank; secretary, D. C. Cable, American Potash & Chemical Corp. Directors are A. E. Morrison, Union Oil of California; C. M. Finn, Superior Oil Co.; M. P. Stamey, Lockheed Aircraft Corp.; E. M. Dundas, Gladding, McBean & Co.; F. J. Doyle, Rexall Drug Co. The group meets each month at Los Angeles.



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## Company Employees Barred in Ill. from Solicitor Licensing

Insurance Director Day of Illinois has ruled that insurance company officers and employees may not be licensed as solicitors. The law requires a solicitor to be a "bona fide full-time employee" of an agent or broker, and Mr. Day concludes that this rules out an insurance company employee.

This ruling is not surprising to company people because last year the department got into this matter and some companies required the cancellation of solicitor licenses held by employees, but later reconsidered and permitted such licenses to retain their authority for the balance of the year. Usually the company employees have been licensed as solicitors of a company management agency.

Company management is not shedding any great tears at this ruling. A company employee may still become licensed as an agent if he can pass the examination and meet the other requirements. He is not ruled out because of his company employment. A good many of the employees that have been licensed as solicitors are boning up to take examinations for agent licenses. Some of them are having difficulty with the task, especially those in accounting departments and others that do not deal with questions of policy terms in their work.

The ruling is directed against the agent and broker by providing that a request for solicitor's license by the agent or broker in violation of the rule shall be grounds for revocation of the agent or broker's license.

## Plan Four Ohio Clinics

The spring educational clinics sponsored by 1752 Club of Ohio and Ohio Assn. of Mutual Insurance Agents will be held at Dayton and Kent on March 19, and at Findlay and Granville, March 20.

Moderator at Dayton will be Carl Siegrist, Preferred Mutual; at Kent, George Hare, Northwestern Mutual Fire; at Findlay, James Carey, Shelby Mutual Casualty, and at Granville, William Cook, American Mutual Fire. Agents will act as panel members at each meeting. E. F. High, Columbus, president of the National association, is on the program for the Granville meeting.

## Offer Minneapolis Courses

Minneapolis Assn. of Insurance Agents is conducting an educational course at Vocational high school with Robert Pugh of Aetna teaching the N.A.I.A. introductory course and Edward Erland of the Loyalty group handling the standard course.

## Bond Course at St. Louis

Insurance Board of St. Louis will start the N.A.I.A. course on fidelity and surety bonds April 3 with James R. Searles and W. E. Henderson, both of Fidelity & Deposit, as instructors.

## Sweeney to Toledo Agency

Francis Sweeney has joined the C. V. Beck Co. agency at Toledo as vice-president. He has been in the business since 1929 having started with Lumbermens Mutual at Boston. He has been special agent for Hartford Accident with headquarters at Toledo since 1937.

## Women to Meet at St. Louis

ST. LOUIS — Louis H. Antoine, assistant vice-president of American-Associated, will speak at a luncheon March 15 for the women in attendance at the annual conference here of region 5 of National Assn. of Insurance Women.

Joseph F. Holland, general counsel for Pevely Dairy Co., former chief deputy superintendent of the Missouri de-

partment and later assistant attorney general of Missouri, will be toastmaster at the banquet that night, arranged by Insurance Women of St. Louis.

The conference will be held March 14-16 at the Sheraton Hotel. Insurance Board of St. Louis is cooperating in entertainment plans. Region 5 comprises 22 member clubs in Illinois, Wisconsin, Minnesota, North Dakota, South Dakota, Iowa and eastern Missouri.

## New High Premium Level for Security

Premium volume of the Security-Connecticut companies for 1951 was at a new high level of \$22,026,817, Peter J. Berry, president, reported. There was an increase in the fire, marine and allied lines of \$1,570,058, and an increase in casualty of \$696,189.

In the fire lines, the ratio of losses and loss expenses incurred to earned premiums was 54.4, compared with 52.1 in 1950. The operating expense ratio of 42.4 of premiums written remained unchanged. In the casualty lines, the ratio of losses and loss expenses incurred to premiums was 68.2, compared with 60.1 in 1950 and the operating expense ratio increased to 43.8.

The consolidated assets increased to \$38,469,285. The policyholders surplus was \$10,224,998.

## Finance Order Approved

MINNEAPOLIS — A "pronounced and favorable" public reaction to the recent order of Commissioner Nelson on financed automobile insurance is reported by Minnesota Assn. of Insurance Agents in its bulletin.

The association says many policyholders have felt that they "have been victimized by certain exacting conditions pertaining to insurance collateral on their automobile sales contracts or loans" and their inability to buy their insurance from an agent or company of their own choice. "As Americans they did not like to be told that they had to finance and insure as a part of the original purchase price."

## Seek New N. H. Traffic Law

Pedestrians should be liable to fine for traffic violations and driver training should be made compulsory in all high schools, Lloyd Greer of Manchester, speaking for New Hampshire Assn. of Insurance Agents, told a subcommittee of the state legislative council.

He warned that if stricter traffic rules are not enforced to cut the number of accidents on New Hampshire highways, the state may be faced with compulsory motor vehicle insurance laws.

## Welch Firm in Own Building

Fire & Marine Adjustment Co. of Oklahoma City is now housed in its own building at 425 Southwest 26th street at Oklahoma City. Hal A. Welch is the owner. Multiple line claim service is provided.

Waldo O. Hildebrand, secretary-manager of Michigan Assn. of Insurance Agents, appeared on a panel at Kellogg Center on the Michigan State College, Lansing, in connection with a clinic of coordinators of cooperative business education. He talked on the association's extensive educational program.

R. J. Moriarty has been appointed assistant secretary of the Michigan General Agency of Grand Rapids.

Howard G. Leech, who represents Sun Life of Canada at Lexington, Va., is extending his office to general line and will represent Scottish Union and American Casualty.

R. A. Sanford has been named assistant secretary of Farmers Fire of York, Pa.

Max V. Hubbs, manager of the George W. Hubbs agency at Silverton, Ore., has purchased the F. E. Sylvester agency there.

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## Harwayne Named Casualty Actuary of N. Y. Department

Frank Harwayne has been named chief casualty actuary of the New York department. He succeeds Arthur L. Bailey, who has joined Lumbermens Mutual Casualty.

Formerly an assistant actuary of National Bureau of Casualty Underwriters, Mr. Harwayne was graduated from Brooklyn College in 1942 and received a degree in personnel psychology from Cornell University the following year. He was with the War Department in 1942 as a physicist, and also spent 3½ years with the signal corps during the war. He joined National Bureau in 1946 as an actuarial assistant, becoming assistant actuary in 1950. While with the bureau he served as a mathematics instructor at City College of New York. He is a fellow of Casualty Actuarial Society.

One of his first assignments with the department will be to review the new excess limits tables for automobile and general liability insurance which the companies are expected to file in the near future. He will also study the companies' request for a 5% profit factor in the rating formulas and participate in the discussion of this matter at the forthcoming meeting of the N.A.I.C. special sub-committee at Chicago March 6-7.

## CPCU Institute June 17-19

University of Connecticut will hold its annual C.P.C.U. Institute at Storrs, June 17-19. The New Jersey C.P.C.U. chapter is co-sponsor.

The conference will feature a clinical analysis of the insurance programs of two hypothetical policyholders, one a large manufacturing risk and the other a non-manufacturing account. Discussions will include determination of the amount at risk with respect to factors instrumental in protection of income, use of retrospective rating plans, and the place of the time element coverages in an insurance program.

## Move N. J. Shingles Again

According to the Newark Sunday News, the various New Jersey domiciled insurance companies with executive offices at points outside the state, are again moving their legal residence. These moves have been actuated by local taxation on intangible personal property. Most of these companies have been on the move since 1934 when the Newark taxes were increased heavily.

Flemington, N. J., was a popular legal residence for a time. Then they went to Raritan township in Hunterdon county. The present move is to Holland township in the same county. These companies have been paying about \$62,000 in taxes to Raritan township. The companies' rate of tax in Holland township will be much less because the power plant of New Jersey Power & Light Co. is situated there, affording considerable abatements. Federal, Cathay and Citizens made the move in 1950 and just recently Newark Ins. Co. and Industrial of Des Moines went there. Universal and Universal Indemnity, according to this story, are preparing to move.

## Ohio Mutuals in Session

Ohio Assn. of Mutual Insurance Companies at its convention in Columbus this week is devoting part of its time to observance of the 200th anniversary of mutual insurance in America. Leonard H. Jones, secretary Druggists Mutual of Mansfield, reviewed the growth of mutual insurance. Five mutuals in Ohio are more than 100 years old. D. C. Perkins, vice-president Farmers Mutual of Lincoln, Neb., spoke on agency inspection.

M. L. Landis, Central Mutual of Van Wert, O., president of the association,

said that with the advent of paved roads, the widespread use of the automobile and other advancements, it is no longer possible or desirable for a farm assessment association to limit its activities to a small geographical area. He urged the secretaries of such associations to become "better prepared general insurance men."

## Bruce Enters A. & H. Field

P. Kendall Bruce, Wisconsin state agent for Royal-Liverpool, has resigned to devote full time to the management

of Federal Underwriters of Madison, Wis., managing general agency for distribution of specialty A. & H. policies written by Federal Casualty of Milwaukee.

Mr. Bruce has spent 22 years in the Wisconsin field, with Travelers, Employers group and Royal-Liverpool.

## American Surety Names Two

L. D. Wykoff has been appointed claim manager at Cleveland of American Surety. He joined the company at Omaha in 1922, was transferred to Chi-

cago in 1941 and to Cleveland in 1945.

William M. Abrams has been appointed special agent at Jacksonville. He started at Miami in 1948 as assistant superintendent of claims and was recently transferred to Jacksonville.

## Seek N. D. Liberalization

Liberalization of workmen's compensation benefits is a plank in a proposed platform of the North Dakota Republican Organizing Committee which will be considered at a state convention March 10-11 at Bismarck.

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## THREATENS COURT ACTION

## Becker Accuses Two Companies of Personal Attacks

Harry Becker, assistant director of the Commission on Financing Hospital Care, has charged two insurance companies with attempting to sabotage the program of his organization by personal attacks against him. Mr. Becker says that if there is no diminution of this sniping he will take the matter to court. He feels that exposure of the names and nature of these companies to the public would be highly embarrassing to them.

Mr. Becker states that these attacks have been in printed form and have

been circulated among physicians and hospital administrators with whom the commission is working. Mr. Becker is on leave as director of social security of the CIO-UAW. He said the gist of the attacks upon him by the two insurance companies is that he is a socialist and is out to put across compulsory health insurance and "socialized" medicine. Mr. Becker states that these charges are untrue and that in the spirit of inquiry he and the commission are after facts that will lead to solution of the problems of financing hospital care. He is on the national board of Blue Cross and Blue Shield and has made no secret of his interest in such plans.

Mr. Becker charges that the two companies in question have been defaming him among members of American Medical Assn. and American Hospital Assn. The Commission on Financing of Hospital Care is a private

group with headquarters at Chicago making a two-year study of hospital financing. It is backed by grants of some \$600,000, largely provided by the Kellogg foundation and the Rockefeller foundation. Mr. Becker comments that the organization is working harmoniously with both American Hospital Assn. and American Medical Assn. to investigate the whole cost structure and the economics of American hospitals and perhaps eventually of the entire medical business.

Mr. Becker admits that the study has just begun but he has some positive comments about the hospital field born of his four years with UAW and his experience in public health and welfare work with the federal security agency, U. S. public health service, New York City department of health and the state of Nebraska. In his new duties, Mr. Becker has been doing a lot of speaking, much of it before hospital administrators. He was recently quoted in a daily newspaper in Milwaukee, where he addressed 300 Wisconsin hospital officials, as saying that 10 years from now American hospitals may get almost their entire income from prepaid medical plans. He commented that 75 million persons now have some form of prepaid hospital protection and that it is reasonable to assume that in the next decade the number of persons to have this care will be almost doubled, bringing the level of protection to a point where the full hospital bill is paid under prepaid plans. He was quoted as saying that this will mean almost all hospital income will come from third party payments.

### "Cool" to Commercial Plans

The newspaper commented: "Becker was cool toward plans offered by commercial insurance companies under which participants receive fixed payments for particular injuries or illnesses. The payments often do not meet the costs incurred by the patient. Becker said prepaid hospital plans should be administered by socially responsible agencies which offer flexible coverage. He said the evidence is clear that commercial insurance carriers are not going to be able to perform the job that is required for a sound community program of financing and developing hospital services on a cash indemnity basis which pays less than the cost of care."

Mr. Becker in his Milwaukee speech predicted that hospital costs would continue to rise, but at a slower rate than they have in the last 10 years. He reported that costs had risen 13% to 15% a year in each of the last 10 years.

He declared that the demand for hospital services will increase, predicted that more people will use hospitals and that they will want more extensive service in each case. He commented that as prepaid hospital plans grow there has been a decline in the proportion of hospital income received from endowments, as well as in the share received directly from patients.

## A. E. Spottke Goes to Allstate as Vice-president

Albert E. Spottke has been elected a vice-president of Allstate of Sears, Roebuck & Co.

According to President Calvin Fentress, Jr., of Allstate Mr. Spottke will be in charge of the business development department, a newly organized division.

Mr. Spottke has had extensive insurance experience, having been with National Bureau of Casualty Underwriters for 22 years. He became assistant to the manager of the rating division in 1929, manager in 1932 and was elected secretary of the organization in 1946. His last previous connection was with Continental Casualty where he served as vice-president in charge of casualty operations and as a director. Before that he was New York manager of Massachusetts Bonding.

Mr. Spottke is the author of numerous pertinent articles and publications dealing with casualty insurance subjects, including a comprehensive digest of underwriting and administrative requirements under automobile financial responsibility laws. He appeared frequently as a speaker before producer organizations and when representing the bureau before regulatory and legislative bodies. He studied engineering at Cornell University.

### Allstate Premiums at \$84 Million Are Up 26.6%

The 1931 premium volume of Allstate and Allstate Fire reached \$83,973,000, a gain of 26.6%. Policyholders now exceed 1,200,000.

Allstate assets are \$90,781,000, an increase of 26.4%. Surplus to policyholders increased 29.4% to \$23,290,000.

Allstate Fire assets are \$12,780,000 and surplus to policyholders \$3,483,000.

### N. Y. Mariners Meet

J. W. Kennedy, Atlantic Mutual heads the nominating committee to select a slate for the annual election of the Mariners' Club of New York which will be held in April. Skipper is J. W. Mulvehill of Home.

W. Furber Smith, chief engineer, U. S. Testing Co., spoke to the Mariners at the February dinner meeting on the important features of loss prevention, accident diagnosis, damage evaluation and salvage procedure for marine and inland marine underwriters.



A. E. Spottke



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Organized 1918

### Globe & Republic Insurance Company of America

Established 1862

### Merchants and Manufacturers Insurance Company of New York

Organized 1849

### New York Fire Insurance Company

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## Hartford Fire Group Figures Are Impressive

Hartford Fire in 1951 had premiums of \$139,310,526 which compares with \$126,830,810 the previous year and premiums earned were \$128,444,666 as against \$116,550,193. The increase in written premiums was 9.8%. The incurred expenses were 39.6% of premiums written and 42.9% of premiums earned. This compares with 39.3 and 42.8 the previous year. Ratio of losses and loss expenses incurred to earned premiums was 49.3 as against 50.9 the previous year.

The net underwriting income before federal income tax was \$9,979,574 and the total income before federal income tax was \$16,949,514 and after such tax \$12,382,940 which compares with \$10,227,035 the previous year.

Assets were \$323,209,250, an increase of \$19,072,317. Capital is \$16 million, net surplus continues at \$100 million and voluntary reserve is \$12,235,196 as against \$31,882,970 the previous year.

### Casualty Premiums Up 19%

Hartford Accident's premiums were \$143,865,847, an increase of 19.25%. President Paul Rutherford remarked that the bond premiums for the first time exceeded \$10 million. Statutory underwriting loss was \$7,770,551. Due to the gain from investments and federal income tax credits the total loss after federal income tax was reduced to \$333,717.

Mr. Rutherford remarked that the underwriting loss was substantial and reflected the generally unsatisfactory results in the auto liability and compensation business. Also the increase in premium volume and increase in premium reserve contributed to the loss. Substantial improvement in the underwriting results for auto liability and compensation is largely dependent on greater stability in the national economy and much improved traffic conditions, he said.

The ratio of expenses incurred to premiums written was 43.62 as against 45.83 the previous year, and to pre-

miums earned the comparable figures were 47.39 and 47.74. Ratio of losses incurred to premiums earned was 58.48 as against 50.35 in 1950. Assets of Hartford Accident were \$245,840,418 and surplus to policyholders was \$72,154,495 as against \$71,623,107.

## Independent Insurers Map Three Regional Rallies

Three regional meetings are to be held by National Assn. of Independent Insurers during May. This is a departure inasmuch as in the past there has been just one such regional meeting each year. The first of the gatherings will be May 1-2 at the Savery hotel at Des Moines. Then comes one at the Neil House, Columbus, O., May 7-8, and finally a gathering at the Baker hotel, Dallas, May 15-16. These meetings will be of an informative and educational nature. At Dallas will also be held the annual meeting of Independent Statistical Service, which is a branch of N.A.I.I. The annual meeting is scheduled for Nov. 20-21 at the Conrad Hilton hotel, Chicago.

## North River Forges Ahead

Assets of North River stood at \$53,198,168 at the year end, the increase being \$3,764,270. Premium reserve was higher by \$1,348,082. There was set up a contingency reserve of \$481,150 for the difference between values carried in assets and values based on Dec. 31 market quotations. Net surplus was \$24,092,053, an increase of \$2,302,203.

Premium income was \$18,606,832 which was an increase of nearly 6%. There is a trade profit of \$2,245,632 and an underwriting profit of \$1,087,150.

## Ohio Cas. Ups Dividend

Ohio Casualty has declared a dividend of 35 cents, payable March 15 to stock of record March 5. Heretofore the quarterly rate has been 30 cents.

## Compulsory Issue Scanned

Business Week in its Feb. 16 edition has a story of several columns entitled "Two Different Looks at Compulsory Auto Insurance."

## Lewer to San Diego Post

James L. Lewer has been appointed special agent in charge of the San Diego, Cal., service office of Aetna Fire. He replaces Lee West, resigned.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago  
Feb. 19, 1952

	Div.	Bid	Asked
Aetna Casualty .....	3.00	87	90
Aetna Fire .....	2.25*	54	55 1/2
Aetna Life .....	2.50*	81 1/2	83
American Alliance ...	1.50*	32	33 1/2
American Auto .....	2.00	39	41
American Equitable ..	1.50	26	27 1/2
American (N. J.) ....	1.00	24 1/2	25 1/2
American Surety ....	3.00	52	54
Boston .....	2.65*	66 1/2	68 1/2
Camden Fire .....	1.15*	21	22
Continental Casualty ..	2.50*	72 1/2	74
Fire Association .....	2.60	58	60
Fireman's Fund .....	1.60	52	54
Firemen's (N. J.) ....	.80	23 1/2	25
Glens Falls .....	2.40*	58 1/2	60 1/2
Globe & Republic .....	.80	12 1/2	13 1/2
Great American Fire ..	1.50*	36	37
Hanover Fire .....	1.60	32 1/2	35
Hartford Fire .....	3.00*	137	139
Home (N. Y.) .....	1.80	35 1/2	37
Ins. Co. of North Am. ..	2.50*	72	74
Maryland Casualty ...	1.00	21 1/2	23
Mass. Bonding .....	1.60	25 1/2	27
National Casualty .....	1.50*	26 1/2	29
National Fire .....	2.50*	58 1/2	60
National Union .....	1.60	39	41
New Amsterdam Cas. ..	1.50	33 1/2	35
New Hampshire .....	2.00	41	43
North River .....	1.20	27	28 1/2
Ohio Casualty .....	1.20	69	72
Phoenix, Conn. ....	3.00*	83	85
Prov. Wash. ....	1.50*	29 1/2	31
St. Paul F. & M. ....	.80	32 1/2	34
Security, Conn. ....	1.60	33	35
Standard Accident ...	1.60	34 1/2	36
Travelers .....	14.00*	600	610
U. S. F. & G. ....	2.00	63 1/2	65 1/2
U. S. Fire .....	1.40	42 1/2	44

\*Includes extras.

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... are your  
clients prepared?

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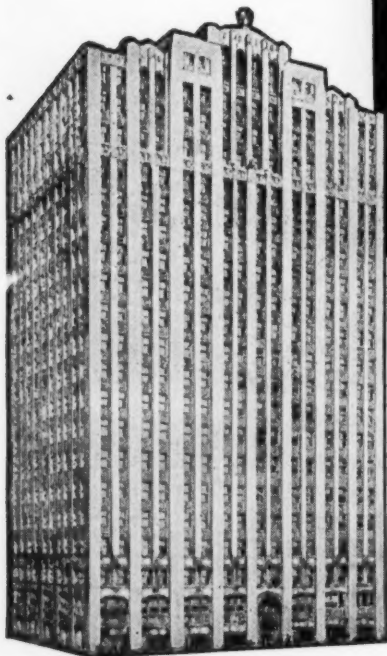
Twenty years after George Washington was born in 1732 near Fredericksburg, Virginia, mutual insurance was launched in the United States. Thus, for two centuries, it has been providing low-cost dependable protection for American property owners.

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## Travelers Report Written in Huge Figures, Black Ink

Written premiums of all Travelers companies in 1951 was \$543,965,000, up \$76,847,000 or 16.5% compared with a 10.8% increase the year before. Travelers Indemnity had \$98,923,000 premiums, increase 18.3%. The fire companies wrote \$48,806,000, up 11.4%. Travelers increased surplus \$5,584,930. Travelers Indemnity had an underwriting gain of \$2,252,000, compared with \$8,098,000 the year before. Assets increased from \$121,164,267 to \$136,405,441.

Travelers Fire had an underwriting gain of \$2,593,000, compared with \$3,010,000. Assets increased from \$73,324,514 to \$80,484,715.

Total automobile premiums for the group were more than \$123 million, up about \$17 million, with 1,250,000 auto B.I. risks, up 100,000. All auto lines produced a slight underwriting profit.

Total compensation and general liability premiums totaled more than \$52 million, about \$10 million increase. Risks increased from about 97,000 to more than 102,000. The underwriting loss was about \$700,000. General liability and property damage writings rose from \$21,800,000 to more than \$27 million with the liability underwriting loss substantially offset by the P.D. profit.

The fire, auto, and inland marine losses from the Missouri river flood last year were gross \$850,000, net less than \$150,000. Gross losses on the 1950 windstorm in the northeast was over \$3,300,000 on 27,000 claims, net was less than \$1 million.

## Choose Mo. Midyear Dates

The midyear meeting of Missouri Assn. of Insurance Agents has been scheduled for March 8-9 at the Missouri hotel, Jefferson City. The executive committee will hold an open session the first day, and a general session will take place on Sunday. Superintendent Leggett and James Meredith, counsel for the insurance department, are to be honored guests at the banquet Saturday.

One of the principal topics for discussion will be whether or not the association should proceed with contemplated litigation to determine the legality of political subdivisions of Missouri purchasing mutual insurance.

At the last meeting of the executive committee it was decided to abandon affiliate association memberships for company representatives. It also was decided to continue agency employee affiliate memberships on a no-dues basis.

## Considers School Liability

PONTIAC, MICH.—Pontiac board of education has authorized the superintendent of schools to obtain figures on cost of liability insurance to cover possible damages arising from injury to pupils or their parents while on school property.

A board member noted that decisions to date have held school boards exempt from liability for injuries on its property but cited the possibility of a reversal of this rule. It was brought out that several students have been hurt in accidents on the playgrounds and in the schools during the year.

## Recommends Boiler Market

GRAND RAPIDS, MICH.—Special committees of the city commission and board of education have recommended purchase of boiler coverage from Decker, Davis & Jean, agents for Ocean Accident. Grand Rapids Assn. of Insurance Agents had recommended another insurer.

It was announced that the three-year premium for the combined coverage will amount to \$12,800, of which the school board will pay \$7,037. The

joint purchase, it was said, will effect a \$750 saving.

## Consumer Credit Insurers Set Annual Meeting Date

The annual meeting of Consumer Credit Insurance Assn. will be held at Hot Springs, Va., May 30-June 1. Cecil Woods, president of Volunteer State Life, is president.

The association, whose members write life and disability coverage on persons who borrow money or buy on installments, will mark the first anniversary of its formation at this convention. The program will include talks by authorities in the field of consumer credit insurance and a series of panel discussions on insurance operations, in addition to business sessions.

## Credit Insurance Talk

R. J. Mullen, manager and general agent for American Credit Indemnity at St. Louis, is addressing a luncheon meeting of St. Louis Insured Members Conference Feb. 26 on "Credit Insurance and Your Business."

## Names Pa. Sales Head

Reserve Life of Dallas has named Rhea D. Crowe sales manager for Pennsylvania, the 38th state in which the company has been licensed. He has been in the health and accident business for 3½ years.

## RR Bill Is Watched

Bills with strong backing have been introduced in both houses of Congress that would increase by 50% the cash sickness benefits provided under the railroad unemployment compensation law. This law has sickness benefits similar to the Rhode Island monopolistic plan. The new proposal is a serious threat, as railroads have about 1½ million employees. Many are sufficiently well paid so that it has been possible to sell them A. & H. supplementing their compulsory coverage. A 50% boost in benefits would cut severely into this market.

## Cost, Profit Study Group to Meet

The commissioners' subcommittee on cost and profit factor studies of casualty lines has scheduled a meeting for March 6-7 at the State Office building, Chicago.

C. Rodgers Burgin, president of New England Trust Co. and Max F. Balcom, chairman of Sylvania Electric Products, Inc., have been elected directors of Arkwright Mutual Fire.



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"A list of the companies with whom we do business reads like a roster of famous names. This is because we have soundly built a reputation for stability and dependability throughout more than three decades."

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## Industry Takes Firm Stand on Auto Law in N. J.

Enactment in New Jersey of a strong security type safety responsibility law is recommended by the insurance industry committee on motor vehicle accidents in its report which has just been published in pamphlet form. This is an adaptation of the report that was brought forth first as an answer to the advocates of compulsory automobile liability insurance in New York.

This platform represents the industry stand, based on more than five months of study and deliberation. The report at this time is aimed directly at New Jersey, but it is intended for use in any state where the issue becomes acute with such variations as are necessary to meet differences in conditions from one state to another.

In addition to the national organizations that composed the industry conference in connection with the original preparation of the report, in New Jersey the committee also took in New Jersey Assn. of Insurance Agents, Mutual Agents Assn. of the State of New Jersey, New Jersey State Assn. of Mutual Fire Insurance Companies, Selected Risks Indemnity, and Insurance Women of New Jersey. Endorsement has been given to the report by New Jersey Farm Bureau, New Jersey State Grange, New Jersey State Safety Council, Newark Chamber of Commerce and Newark Safety Council.

## Produce Catastrophe Loss Procedure Kit in Texas

Texas field men and agents, working with General Adjustment Bureau and Fire Prevention & Engineering Bureau of Texas, have produced a "catastrophe loss kit," a master plan that details every step to be taken whenever a catastrophe occurs.

The kit has been in production for four years, with work being sponsored by the joint loss committee of the stock insurance companies in Texas. Richard L. Urban, special agent of Home, is chairman of the group.

The kit, which contains seven manila file pockets, outlines methods of getting a disaster office opened, gives suggestions on how to call and conduct a meeting of local agents, adjusters, special agents, contractors and community leaders to set up a plan for handling the catastrophe, and explains how to use newspapers and radio stations in keeping the public informed as to what the insurance companies are doing.

There are included sample advertisements for newspapers and radio scripts which local stations can use in interviewing agents and adjusters. One section tells what the insured are expected to do before the adjuster arrives. Another gives agents suggestions on how to handle public relations problems.

Essentials of the catastrophe plan were put into action following hailstorms last spring at Abilene and Wichita Falls. Before the hail season arrives in Texas this year, the committee hopes to have the master plan available for immediate use in every community.

Organizations participating in preparing the kit were Alamo Field Club, Fire Prevention & Engineering Bureau of Texas, General Adjustment Bureau, Houston Field Club, North Texas Field Club, Texas Assn. of Insurance Agents, Texas Insurance Advisory Assn. and West Texas Field Club.

## Progressive Promotes Two

W. B. Elcock, Jr., secretary of Progressive Fire of Georgia since 1947, has been promoted to vice-president and secretary. Malcolm Nash has been elected agency superintendent.

Mr. Elcock is a graduate of Dartmouth and an army veteran. Mr. Nash,

a graduate of University of Georgia, has been with the company as special agent since 1946.

## John Holmes Bids Again

John J. Holmes has filed a petition for the Democratic nomination for reelection to the office of state auditor in Montana. The state-auditor is ex-officio insurance commissioner. Mr. Holmes has held that office since 1933.

## Form Kennett, Mo., Board

The recently organized local board at Kennett, Mo., has elected these officers: President, T. A. Brown, Jr.; treasurer, Fred Rigdon, and secretary, Miss Gilbert Petty. The board has affiliated with Missouri Assn. of Insurance Agents and N.A.I.A.

## Pease Feb. 28 Speaker

E. B. Pease, vice-president of Mutual Boiler, will talk on boiler and machinery insurance at the Feb. 28 luncheon of New York chapter National Insurance Buyers Assn.

Charles H. Hall, vice-president and secretary of American Surety, has been elected a trustee of that company.

## Hagge Chairman, Burhop President of Employers Mutuals

Three top-level shifts have been made in the management of Employers Mutual Liability and Employers Mutual Fire of Wausau. H. J. Hagge was elected chairman, W. H. Burhop, president, and Robert S. Hagge, executive vice-president.

H. J. Hagge has been the president, Mr. Burhop executive vice-president and Robert S. Hagge research director.

M. P. McCullough, formerly chairman and past president, will continue as a director. J. M. Sweitzer, general counsel, was elected vice-president and general counsel.

H. J. Hagge has been active in the management of Employers Mutuals for more than 40 years. He started as assistant secretary of Employers Mutual Liability a month after its founding in 1911. He rose to secretary and general manager in 1914 and was elected vice-president in 1925. In 1931 he became president.

Mr. Hagge is serving as president of

National Assn. of Mutual Casualty Insurance Companies and vice-president of American Mutual Alliance.

Mr. Burhop graduated from University of Wisconsin school of commerce and was with Wisconsin Industrial Commission from 1913 to 1917. The next two years he was in charge of workmen's compensation insurance rate regulation with the Wisconsin insurance department. He went with Employers Mutuals in 1919 in an actuarial capacity. In 1929, he was elected secretary, in 1931, a director, and in 1937 executive vice-president.

He is immediate past president of Wisconsin State Chamber of Commerce and is a former president of the Wausau Chamber of Commerce. He is a director in American Mutual Reinsurance and Wisconsin Valley Trust Co. of Wausau.

Robert Hagge graduated at Dartmouth in 1939 and received a master's degree at Northwestern University in 1941. He then joined Employers Mutuals. During the war he served as a navy lieutenant.

A. F. Holden, Jr., superintendent of agencies at Portland, Ore., for Springfield F. & M., is back on the job after an appendectomy.

49th

## ANNUAL FINANCIAL STATEMENT

As of December 31, 1951

### ASSETS

Cash in Banks and Offices . . . . .	\$ 2,644,920.28
U. S. Government Bonds* . . . . .	5,938,968.02
Municipal Bonds* . . . . .	2,352,093.20
Public Utility Bonds* . . . . .	3,200.00
Industrial Bonds* . . . . .	6,023.60
Mortgage Loans . . . . .	108,607.11
Collateral Loans . . . . .	169,464.57
Savings & Loan Investments . . . . .	1,484,948.65
Public Utility Preferred Stocks† . . . . .	713,558.00
Industrial Preferred Stocks† . . . . .	745,670.90
Bank Stocks† . . . . .	3,397,791.00
Insurance Stocks† . . . . .	557,815.00
Republic Casualty Co. (a wholly owned subsidiary) . . . . .	776,153.92
Railroad Common Stocks† . . . . .	30,300.00
Public Utility Common Stocks† . . . . .	405,397.00
Industrial Common Stocks† . . . . .	1,963,512.00
Agents Balances (Not over 90 days) . . . . .	1,061,055.10
Premium Notes . . . . .	554,471.07
Home Office Building . . . . .	156,008.95
Eastern Department Building . . . . .	107,756.36
Pacific Coast Department Building . . . . .	104,407.23
Due from Reinsurers . . . . .	163,386.32
Other Assets . . . . .	66,856.50
	<b>\$23,512,364.78</b>

### LIABILITIES

Unearned Premium Reserve . . . . .	\$13,017,164.45
Reserve for Losses . . . . .	620,113.00
Reserve for Taxes . . . . .	443,289.69
Other Liabilities . . . . .	114,185.78
Contingency Reserve . . . . .	1,973,134.45
Capital . . . . .	
Preferred . . . . .	\$2,000,000.00
Common . . . . .	2,200,000.00
Surplus . . . . .	3,144,477.41
	<b>\$23,512,364.78</b>

\*Amortized

†Value as established by Insurance Commissioners Committee on Valuation of Securities

U. S. Government Bonds of the par value of \$955,000.00 are on deposit with the Insurance Departments of the various states in accordance with legal requirements.

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## 1951 Results of F. & C. Companies Given

(CONTINUED FROM PAGE 1)

	Premiums Earned	Losses Incurred
Glass .....	1,229	1,436
Auto Medical .....	38,554	13,919
Totals .....	739,591	337,078
<b>Lumber Mutual Fire—Assets, \$7,546,157, Incr., \$511,588. Loss res., \$253,647. Unearned prem., \$2,634,474. Surplus, \$4,338,407, Incr., \$312,377.</b>		
Fire .....	2,181,588	866,279
Ext. coverage .....	262,812	56,285
Torn., wind., hall. ....	13,225	3,631
Sprinkler & water dam. ....	9,411	2,674
Expl., riot, civil comm. ....	213	18
Earthquake .....	603	.....
Inland marine .....	12,618	2,797
Auto phys. damage .....	209,912	84,101
Glass .....	110	.....
Burglary & theft .....	213	85
Comprehensive Dwg. End. ....	-93	125
Excess Cover .....	-85,326	.....
Totals .....	2,605,876	1,015,999
<b>National Indemnity—Assets, \$3,771,651, Incr., \$494,305. Loss res., \$756,681. Unearned prem., \$793,517. Capital, \$450,000. Surplus, \$745,577, Incr., \$126,677.</b>		
Workmen's Comp. ....	43,813	54,089
Liability (not auto) .....	117,039	41,034
Auto liability .....	684,905	385,463
Auto prop. damage .....	352,733	171,379
Auto phys. damage .....	406,109	184,424
Prop. dam. (not auto) .....	19,140	2,082
Glass .....	2,850	.....
Burglary & theft .....	1,794	1,901
<b>Pa. Thresherman &amp; Farmers Mut. Fire—Assets, \$2,188,808, Incr., \$212,958. Loss res., \$810,018. Unearned prem., \$952,156. Surplus, \$986,429, Incr., \$71,120.</b>		
Fire .....	281,367	109,686
Ext. coverage .....	32,467	25,177
Auto phys. damage .....	1,045,578	493,564
Excess of Loss Reins. ....	-1,929	-3,845
Totals .....	1,357,483	624,582
<b>Quincy Mutual Fire—Assets, \$11,368,569, Incr., \$1,416,595. Loss res., \$304,664. Unearned prem., \$4,551,029. Surplus, \$6,209,490, Incr., \$832,948.</b>		
Fire .....	2,338,522	781,990
Ext. coverage .....	352,612	168,464
Torn., wind., hall. ....	815	1,061
Sprinkler & water dam. ....	14,577	1,595
Earthquake .....	694	.....
Auto phys. damage .....	906,634	342,687
Totals .....	3,613,866	1,295,799
<b>Retail Lumbermen's Exchange—Assets, \$1,000,341, Incr., \$186,839. Loss res., \$9,970. Unearned prem., \$279,401. Surplus, \$692,769, Incr., \$188,377.</b>		
Fire .....	891,322	69,819
Ext. coverage .....	115,890	45,116
Torn., wind., hall. ....	6,281	10,306
Totals .....	1,013,493	125,241
<b>St. Paul F. &amp; M.—Assets, \$117,491,924, Incr., \$6,965,439. Loss res., \$11,528,948. Unearned prem., \$38,274,790. Capital, \$20,000,000. Surplus, \$60,717,721, Incr., \$4,340,821.</b>		
Fire .....	891,322	69,819
Ext. coverage .....	115,890	45,116
Torn., wind., hall. ....	6,281	10,306
Totals .....	1,013,493	125,241

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## The NATIONAL UNDERWRITER

## Many Named in National Fire Home Office Promotions

(CONTINUED FROM PAGE 1)

special agent in Baltimore. He was called to the head office to be superintendent of the loss and reinsurance department and was made assistant secretary in 1945, secretary in 1947.

Mr. Wyatt joined National in 1936 and served in various field positions in Pennsylvania until 1943 when he went to the head office as general agent and in 1945 was made an assistant secretary becoming secretary in 1947.

Mr. Adams joined National when its casualty company was formed in 1944 as claims superintendent and was made assistant secretary in 1948.

Mr. Beacom joined National as auditor and comptroller in 1927. In 1943 he was made an assistant secretary.

Mr. Blanco was born in Spain and has served with National more than 25 years; he was made assistant secretary in 1950. He supervises Latin America.

Mr. Frakes joined National in 1945 as superintendent of the fidelity and surety department and was made an assistant secretary in 1948.

Mr. Mullen served in Connecticut and western Massachusetts as special agent from 1931 to 1947. He joined National in 1923 as special agent in West Virginia, then transferred to Hartford and was elected an assistant secretary in 1947.

Mr. Neill joined National in 1926 serving progressively in the various book-keeping and accounting departments, becoming superintendent of accounting at the head office in 1945. He was made assistant secretary in 1948.

Mr. Anderson was a special agent for northern New Jersey before his service in the army following which he was transferred to the suburban New York field, having recently been brought into the head office as an agency superintendent.

Mr. Denne has been assistant to home office counsel since joining the National in 1946 after special service in the army. He is a graduate of University of Virginia and its law school.

Mr. Johnson joined National in 1932 and was later made head of the audit department.

Mr. Langan has served as superintendent of the compensation and liability department since 1946.

Mr. Shaw went with National as casualty special agent for Connecticut and Rhode Island in 1945 after several years of service with the army and another casualty company. In 1947 he was promoted to agency supervisor. He is a graduate of Trinity College.

## Robert F. Steinke Leaves Hoosier Editorial Post

Robert F. Steinke has resigned as editor and manager of the property and casualty division, Pictorial Publishers, Inc., Indianapolis. He has no immediate plans. Previously, Mr. Steinke was assistant editor of the Fire Casualty & Surety Bulletins of THE NATIONAL UNDERWRITER.

## N. Y. Law Now Denies Broker Fee in Claim Handling

Gov. Dewey of New York has signed the bill which prohibits brokers from receiving compensation other than commission for services in connection with the placement of servicing of insurance policies, including adjustment of claims, unless there is a written memorandum. This was a department-sponsored bill aimed at eliminating complaints of insured that brokers sought to collect fees for aiding in adjustment of claims.

## Self-Insurance Is Costly

SEATTLE—Mount Spokane Lodge destroyed by fire recently was not insured, according to John R. Vanderticht, state parks director. As a result, the state of Washington will sustain approximately \$200,000 loss on the property.

The policy of the state is to carry no insurance on its properties. The subject was considered several years ago and the decision was against carrying any fire insurance.

## W. Va. Dates Are Set

The annual meeting of West Virginia Assn. of Insurance Agents has been scheduled for the Greenbrier at White Sulphur Springs, W. Va., Aug. 17-20.

## Study Company Publications

A subject that is likely to attract unusual interest at the spring meeting of Insurance Advertising Conference at New York March 30-31 is that of company publications. Richard Van Dusen who is associate editor of the Glens Falls house organ "Now and Then," will give a talk on this and also it is expected that Charles E. Freeman of Springfield F. & M. will report on a survey of company publications.



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## XUM

## PACIFIC COAST AND MOUNTAIN

### Asks Bids on Giant L. A. School Line

LOS ANGELES—Los Angeles board of public education has sent to producers notice that it is seeking bids on fire and E.C. coverage for all properties under its control. The bids are due March 20, with insurance to be effective July 1, except for certain coverages that are not to be disturbed, although included in the bid, which expire as late as 1955.

This action followed a board vote to cancel the assignment of Cosgrove & Co. and Allen T. Archer Co. as brokers of record on the city school fire line.

In its letter, the board says it desires to exercise control by markets to avoid conflicts detrimental to competition. Notice from a producer that he intends

to bid and that he qualifies with an adequate market, will be required. In submitting the bid the producer may include a deductible plan and a proposal for a plan of self-insurance which will integrate into the present plan of insurance.

In the notice the board mentions a total of \$123,860,937, divided as follows: \$120,400,000 on physical properties with \$38,700,484 specific coverage included, not to be disturbed until expiration at Nov. 16, 1952, and Nov. 16, 1953; \$998,858 on contents under a provisional reporting form expiring Sept. 16, 1955; \$2,464,079 on four warehouses, all expiring July 1, 1952.

Some insurance observers estimate that as of next July 1, the aggregate of the line will be in excess of \$204 million. Specifications accompanying the notice are at great length and include a

statement there will be no cancellations save on a pro rata basis. Other facts are that the board will not be required to furnish a specific listing of properties and that method of payment will be determined by the successful bidder, provided there shall be equal annual premiums.

The board also says it will furnish property value as of July 1, 1951, with changes occurring since that time, and data on loss experience.

The board line was awarded to Cosgrove & Co. and Allen T. Archer Co. in 1949 at an approximate reduction of 25%, written through the Crum & Forster and America Fore groups. The award created a furor as the line previously had been distributed among some 750 producers and practically every company.

### Juniper, Morgan Elevated

General Adjustment Bureau has advanced A. S. Juniper from manager to general adjuster at Spokane. He is

succeeded as manager by A. I. Morgan. Mr. Juniper for many years was a partner in the adjusting firm of Webster & Juniper at Spokane. Before that he was with Pacific Coast Adjustment Bureau. He rejoined G.A.B. in 1931 and the following year was made Spokane manager.

Mr. Morgan joined G.A.B. in 1941 at Boise, Ida. He later was transferred to Spokane where he has been senior adjuster.

### Discuss Controversial Forms

Fire Underwriters Forum of San Francisco held a panel discussion of forms which are producing considerable controversy. The subjects included annual renewal, additional extended coverage, automatic reinstatement, installment premium and replacement cost endorsement. John H. Martin, general manager of Standard Forms Bureau and educational director of Fire Underwriters Assn. of the Pacific, was moderator. Members of the panel included Bert W. Levitt of Long & Levitt, insurance attorneys; Gene Andrus, general adjuster of Aetna Fire, and Merritt Rowland of Thomkins & Co., brokers.

The next plant inspection will be at Cariani Sausage Co., later this month.

### Opens Portland Office

Informative Research of Los Angeles has established a branch at 4112 N.E. Sandy boulevard, Portland, Ore., under the management of J. M. McGill. He is a graduate of University of Southern California and has been with Informative Research at Los Angeles 4 1/2 years.

### Sponsor Course at Denver

A course dealing with state regulation of insurance is being sponsored by Denver Insurers Assn. in conjunction with the Denver public school division of adult vocational education. Walker A. Garrott of the E. P. Eppich & Son agency is the instructor.

### Finlay Succeeds DeVoe

E. J. DeVoe, has resigned as branch manager at Portland, Ore., for General of Seattle. Clyde Finlay has been named to succeed him. Mr. DeVoe is entering the lumber business in Medford.

### Miller Speaks at Olympia

John G. Miller, agency superintendent for Groninger & Co., spoke on "Products Liability and Completed Operations" at a meeting of Thurston County Insurance Agents Assn. at Olympia, Wash.

## EAST

### Massachusetts Federation Schedules Meeting Mar. 10

Insurance Federation of Massachusetts will hold its annual meeting at the Somerset hotel, Boston, March 10. Arthur C. Conley, general counsel of the federation, will review current legislation affecting the business in Massachusetts. Guest speaker will be Erwin D. Canham, editor of the Christian Science Monitor.

### Abington Mutual Changes

Abington Mutual Fire has named Herbert I. Perry secretary and Robert I. Dexter, assistant secretary. William

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### Mar. 10

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### Changes

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CHICAGO 4

A. Robbins, for many years treasurer and secretary, has relinquished the former office but continues as treasurer. Mr. Robbins for nearly 20 years has been secretary and was assistant treasurer for some time before that. Mr. Perry, who joined the company in 1936, before that was with Boit, Dalton & Church at Boston for nine years. Mr. Dexter joined the company as a special agent in 1949 and prior to that was with Pawtucket Mutual.

### Sinn in New Quarters

Alfred C. Sinn, past president of New Jersey Assn. of Insurance Agents, is opening new offices at 1195 Main avenue, Clifton, Feb. 25 with an open house.

### Roane Office Is Moved

The John Roane adjustment firm of Baltimore has moved to larger quarters there at 38 South Street. Both the home office and the Baltimore branch will be located in the new office. Mr. Roane is president of National Assn. of Independent Adjusters.

### Frank Hanley Is Slated

WASHINGTON — Frank Hanley of Hartford Accident is the scheduled speaker for the March luncheon meeting of District of Columbia Assn. of Insurance Agents.

The meeting, at which President Vic Schinnerer presided and William d'Esparp acted as program chairman, was addressed by William W. Ellis, of Aetna Casualty. Introduced by William Boone, Aetna manager, his subject was "Three S's of Salesmanship." They were: (1) "Say it in English"; (2) "Serve a meal for two," the prospect "Henry" and his shadow "Harvey"; (3) "Say buy before bye."

## MIDDLE WEST

### Fullington Reports on Kan. Association's Activities

Howard N. Fullington of Dulaney, Johnston & Priest, Wichita, president of Kansas Assn. of Insurance Agents, spoke at the Feb. 14 luncheon of the Wichita association. He reviewed the last meeting of the executive committee and problems being handled by various committees. He promised support of the Kansas association for the school driver training program and invited any agent or local board to call for assistance if needed toward introducing such programs locally. A speakers bureau that will furnish speakers to any trade or civic group in the state was announced. Mr. Fullington pointed out many results obtained by conferences with both the fire and casualty company committees.

President Garnett Mason of Beezley, Outland & Foote announced that the annual insurance buyers clinic has been tentatively set for April. Guests included Robert K. Nelson, Topeka, recently appointed Kansas state agent of Boston, and Homer Bunce, Kansas City, special agent Firemen's Fund Indemnity.

### Loses Subrogation Suit

LANSING, MICH.—Circuit Judge Coash directed a verdict against Rochester American in a subrogation action growing out of a sprinkler loss. The insurer had paid \$3,299 to Liquid Glass Co., a tenant of a Sheridan street building. The flooding occurred, the suit charged, as the result of the freezing of the sprinkler system when the building's heating system was being

changed over from coal to gas. The insurer sued Henry J. Kamm, the building owner; C. H. Baldwin, Crisman Heating & Air Conditioning Co., and Quimby & Wood Gas Service Co.

### St. Louis C.P.C.U.s Elect

St. Louis C.P.C.U. chapter has elected these officers: President, Elmer D. English, Insurers Service Corp.; vice-president, William J. Mitchell, North America; secretary, Albert L. Weiss, attorney; treasurer, Claude I. Lotshaw, local agent, East St. Louis.

### Kan. Mutuals' Meeting Set

Kansas Assn. of Mutual Insurance Companies will hold its annual meeting Sept. 11-12 at Topeka. Alliance Co-operative will be the host. E. C. Ming-enback, president of Farmers Alliance, McPherson, is president of the association and C. J. Richert, secretary of Midland Mutual at Newton, secretary.

### Mannion Eldorado President

W. R. Mannion of the T. P. Mannion agency has been advanced to president of Eldorado (Kan.) Insurance Board. Hoyt Smith of the J. C. Hoyt & Co. agency succeeds him as secretary.

### Educational Meetings in Kan.

Educational meetings of Kansas Assn. of Insurance Agents will be held at Salina and Hutchinson March 26-27. The Kansas public relations committee is cooperating. At each place there will be a 4 p.m. session followed by a social honor and dinner, and an evening program concluding with a panel on current subjects.

## SOUTH

### Slight Fire Premium Gain in New Tex. Rating Table

AUSTIN—Fire premiums in Texas will go up slightly as a result of the 1952 table of rating credits and penalties released by the insurance department. There will be a minimum shift of premium volume, however, as the four metropolitan areas remain unchanged. The overall net gain in premiums will be about \$207,000, based on 1950 premiums, but since 1951 fire premiums increased 10.7%, the resulting premium gain will be even larger.

The table, which becomes effective March 1, applies to 672 rating units. Of these, 391 remain unchanged, 132 were given additional credits, 138 received additional penalties, and 11 are new units.

Lubbock was the largest city, based on premiums, to receive a 5% additional credit. Corpus Christi was the largest city to receive a 5% lower rating. Changes ranged up to 20% for other rating units.

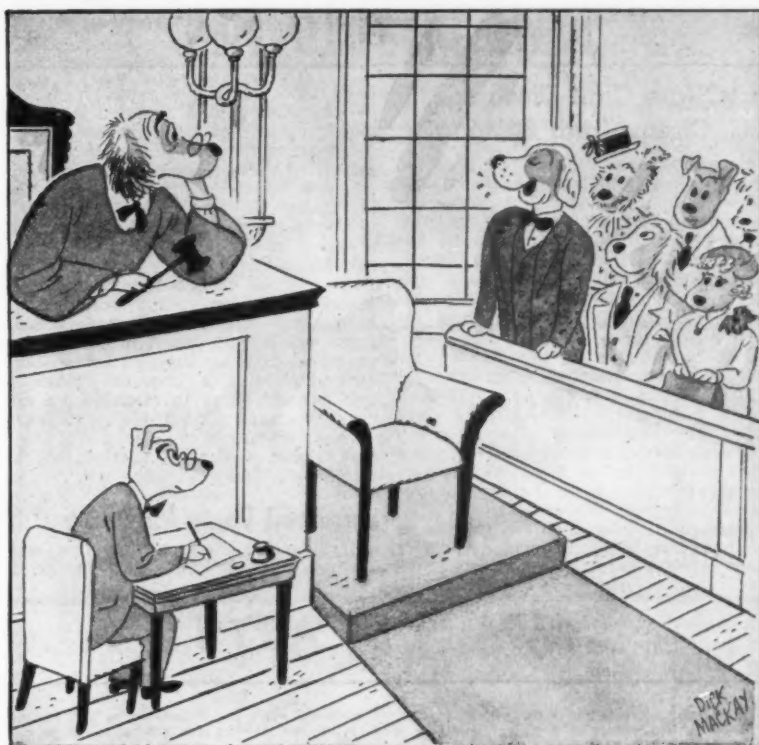
### Va. Fire Rates Are Cut

RICHMOND, VA.—A filing of Virginia Insurance Rating Bureau under which fire rates would be reduced on 12 classes, lowering annual premiums by \$1 million, has been approved by Virginia corporation commission.

The filing also eliminates the automatic reinstatement of loss clause in favor of the new clause providing that amount of the policy will not be reduced because of any loss paid. Under another rule change, small apartment houses with as many as four families will carry the same rates as dwellings housing one or two families.

The reduced rates apply to brick protected mercantile buildings and contents, brick bakeries and contents, brick farm and country property, brick and frame apartment buildings, brick hospitals, brick and frame boarding houses and public and private garages.

J. Howard Hull, Jacksonville, Fla., local agent, has purchased the Davenport agency, established more than 20 years ago by the late H. H. Brenner.



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## NEWS OF FIELD MEN

### Bay State Club Discusses E.C. Claims from Blasting

Plans for speeding up the handling of claims resulting from blasting operations were outlined at the insurance department night dinner of Bay State Field Club at Boston. Guests from the insurance department included Commissioner Sullivan, who spoke briefly, and Deputy Commissioners Thomas H. O'Connell, Joseph S. O'Leary and Joseph A. Humphreys.

The blasting is in connection with extension of an aqueduct from Chestnut Hill to Malden. It will go through such congested areas as Cambridge, Malden and Somerville. Similar blasting in the Newton, Mass., area about two years ago resulted in a great number of claims. Already some have been received in the Malden area.

Norman A. Young, Home, mentioned the need for fire companies to protect their subrogation rights against those

responsible for the damage. Irving H. Worth, Liverpool & London & Globe, club president, noted that tardiness of property owners in filing E.C. claims hampered the fire companies in the subrogation efforts on the Newton blasting claims.

It was pointed out that inspection of property in advance of anticipated damage will make it possible to show how much resulted from blasting. Under the tentative disaster plan, prepared by both stock and mutual organizations, there would be a "moratorium" of two or three days on loss settlements immediately after a disaster strikes to give insurers time to establish an efficient procedure for processing claims.

Other speakers were John E. Shennett, Crum & Forster, and Harold M. Estabrook, Aetna.

### Farewell Party for Berry

William H. Berry, Wisconsin state agent of Continental and American

Eagle, was guest of honor at a farewell party at Milwaukee given by Wisconsin Blue Goose. He will become manager of the public utility department of America Fore at the home office March 1. A past most loyal gander of the home nest and a former president of Wisconsin Fire Underwriters Assn., he has been particularly active as chairman of the legislative committee and in the public relations program. Lloyd Wallace, Jr., Niagara Fire, most loyal gander, and other members lauded Mr. Berry for his contribution to the Blue Goose and the insurance business.

### Slate Anderson in Maine

Pine Tree State Field Club at a meeting at Portland, Me., nominated A. Wendell Anderson, Royal, as president to succeed George F. McFarland, Fire Association.

Ellis S. Perrigo, New Hampshire Fire, is slated as vice-president; Gus T. Sturtevant, Employers Liability, treasurer, and Roswell P. Averill, Aetna, secretary.

### Alexander in N. M. Field

A. Murray Alexander has been appointed state agent of Fireman's Fund in New Mexico with headquarters at Albuquerque. Since joining the company in 1946 he has been casualty special agent for western Washington and the past two years has covered Seattle and Tacoma. He attended the commerce school of University of Pennsylvania and served in the navy.

### W. G. Ballentyne in Field

Warren G. Ballentyne has been appointed special agent for Philadelphia and Philadelphia suburban territory for National Union. He was with Middle Department Rating Assn. both before and after the war during which he served in the navy and he has been with National Union since 1947 as a fire underwriter at Philadelphia.

### K. H. Hayes Is Transferred

Kenneth H. Hayes is being transferred from the Montana field by New York Underwriters to the San Francisco office. He has not improved sufficiently from the effects of an automobile accident 1½ years ago to enable him to carry on field duties and he is being assigned to less arduous tasks.

### Field Men to Hear Attorney

Harold Fuerstein, Newark attorney, will speak at a luncheon meeting of New Jersey Insurance Fieldmen's Assn. at Newark.

### Orvis Gets Field Assignment

Clifton B. Orvis has been appointed special agent for Agricultural in western Pennsylvania and West Virginia, succeeding Herbert Fahlgren. He will have headquarters at Pittsburgh.

An army veteran, Mr. Orvis has been with the middle department at the home office.

### Cal. Old Timers Honored

"The Drakes" composed of past most loyal ganders, sponsored the "old timers" night at the February meeting of Cali-

fornia Blue Goose at Los Angeles. Life memberships were presented to George A. Kingman and Edward L. Gilbert, both retired, and 25-year pins to E. V. Thielen and E. W. Case.

### McCluskey Replaces Bell

Jack McCluskey has been appointed special agent of New Zealand in the San Joaquin valley of California to succeed Melvin K. Bell, who has purchased an interest in the Angus Crites agency at Bakersfield.

Mr. McCluskey started in fire insurance work at San Francisco and has been with New Zealand several years. He served 58 months in the army and for a time after his discharge in 1945 was associated with his father as an agent and broker.

Maumee Valley Puddle of the Blue Goose will meet at Columbus, O., Feb. 25.

Western Reserve Puddle of the Blue Goose will hold a business meeting and initiation at the Hollenden hotel, Cleveland, March 10. Charles L. Beale, Dallas, most loyal gander, will attend.

Versailles will be inspected by Missouri Fire Prevention Assn. Feb. 21.

David L. Hardin, state agent at Seattle of America Fore, is back on the job after making a complete recovery from an operation.

William C. Carylton, state agent at Seattle for Crum & Forster, underwent an operation there. Although he has made an excellent recovery, he will not be permitted to see visitors for some time and it will probably be several weeks before he is able to return to his office.

### May Revamp City Cover

FLINT, MICH.—The city commission is considering a recommendation that coverage be increased substantially on the city hall, police station and the city's eight fire stations. The proposal has been accepted by the commission's finance committee. The recommendation is considered the first step in a comprehensive study covering all municipal properties.

Coverage on the city hall, police and fire stations would be increased from \$115,000 to \$667,000 at an additional annual premium cost of \$1,290. The report advises placing the business in a single policy to be handled by Flint Assn. of Insurance Agents with commissions going to finance safety projects.

### Advance Two Anstaetts

Joe K. Anstaett has been elected vice-president and sales manager and Robert E. Anstaett secretary-treasurer of Town & Village Insurance Service, Columbus, O., general agency.

### Organize at Sault Ste. Marie

An agents' organization has been formed at Sault Ste. Marie, Mich., to be known as Chippewa Insurance Group. A. J. Theriault has been named president and Osborn McKee, secretary.

## WANT ADS

Rates—\$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—FIRE & CASUALTY EDITION

### WANTED

Assistant to Manager Special Risk Dept. (direct writing casualty company). Must have thorough casualty underwriting experience and a flair for selling to large risks. Reply to Personnel Dept., Manufacturers & Merchants Indemnity Co., 35 E. Seventh St., Cincinnati 2, Ohio.

### WANTED

Casualty field man to work Pittsburgh, Western Pennsylvania and West Virginia for leading stock Casualty Company. Salary open. Address J-87, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### CASUALTY UNDERWRITERS

Excellent opportunities with a large multiple line casualty company (A+ rating) available to experienced casualty underwriters capable of assuming responsibility and who are willing to relocate. When replying state education and experience. Address K-16, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### POSITION OPEN

For Office Manager in medium sized Northeastern Indiana general agency, writing fire, casualty and marine lines. Salary open. Reply, telling what you can give us, and what you expect of us, to K-28, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### TIRED? TOO MUCH WORK?

Young man, 12 years in the general insurance business, is looking for a going partnership or corporate interest in Southern California. I want to work and take a load off your shoulders. Address K-32, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### AVAILABLE

Claims Executive with 18 years experience in all lines. Has been stationed in 8 different cities throughout the country. Has had thorough experience in field and home office work. Is 42 years of age. Has law degree. Address K-33, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### KANSAS SPECIAL AGENT

Multiple Line Stock Company  
Live in Wichita or Topeka  
Car furnished — Excellent opportunity. Write  
M. ELISABETH COCKRILL, INS. DEPT.  
Personnel Service Company  
314 Bryant Bldg., Kansas City, Mo.

### WANTED

Field men to serve as Special Agents in Michigan territories, equipped to handle general casualty, automobile, general liability, fire and bond sales promotion. These are good opportunities with an aggressive, expanding company. Apply Personnel Department, Auto-Owners Insurance Company, 303 West Kalamazoo, Lansing 3, Michigan.

### 166 JACKSON

1112 square feet @ \$3.50—\$324  
782 square feet @ \$3.00—\$195  
857 square feet @ \$3.00—\$214  
R. W. APPELGATE & CO., AGENTS  
208 S. La Salle Street — State 2-9200  
Chicago, Illinois

### CLAIMS EXECUTIVE AVAILABLE

Casualty home office supervisor in thirties desires change. Will head up claims or consider other major responsibility. Address K-35, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### C.P.C.U. AVAILABLE

A.B. in Economics; LLB-Member of the Bar; 3½ years multiple line experience in programming, underwriting and sales in metropolitan agency; university teaching experience. Desire position with Company or private industry. Address K-38, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### CASUALTY UNDERWRITER WANTED

Progressive Southern Casualty Company has unusual opportunity for an above average Casualty Underwriter in its Home Office. Replies should give complete detail of past experience, age and marital status. Our employees know of this advertisement. Address K-39, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## SALES-MINDED INSURANCE REPRESENTATIVES WANTED FOR FIRE AND CASUALTY INSURANCE

You can build a permanent future in a large Chicago Insurance Agency.

Here's a money-making opportunity for a man who will be a direct representative of this agency, who can service a volume of established business and whose alert and aggressive work will produce new business.

If you want to turn your experience and sales ability into dollars—and an increasing income—send a detailed reply with your request for a personal interview. All applications are confidential.

Address K-26, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois



## NEWS OF THE COMPANIES

### Pearl Group Has New Premium Level

The net premium income of the companies of the Pearl-American group reached a new high figure in 1951 of \$17,486,570, an increase of 4.22% as compared with 1950. The aggregate assets of the group increased by approximately \$2,250,000 to \$38,380,790.

Net premiums written by the U. S. branch of Pearl were \$8,192,391 and the assets of the branch amounted to \$19,012,673. The ratio of losses and loss adjustment expenses incurred to premiums earned was 53.18 while the ratio of underwriting expenses incurred to premiums written was 47.10. These ratios compared with 50.93 and 46.11, respectively, for 1950.

Net premiums written by Eureka-Security F. & M. were \$7,138,287 and assets stood at \$14,228,638. The loss ratio was 53.19 in 1951 against 51.55 for 1950. The expense ratios for those two years were 47.28 and 46.20.

Monarch Fire showed premium income of \$2,155,892 and assets of \$5,139,479. The loss ratio was 53.18 as compared with 50.98 and the ratio advanced from 46.11 in 1950 to 47.12 in 1951.

The increase in the expense ratio is partly accounted for by the institution of a staff pension plan which came into effect Jan. 1, 1951.

### Kansas City F. & M. Marks Up Good Gains in Figures

Substantial increases in premiums written, assets, premium reserve, and surplus were marked up in 1951 by Kansas City F. & M. Net earnings after federal income taxes declined to \$1.61 a share from \$1.97 the previous year. "Unusually severe windstorms throughout the middle west, inland marine losses resulting from the July flood, and an extraordinary increase in automobile physical damage losses the last several months of the year, together with the inflated costs of replacement and repairs, all tended to produce somewhat lower earnings," President Morton T. Jones stated.

Net premiums written increased 25.67% to a total of \$9,692,168. Premium reserve increased \$303,189 to \$2,808,993, while assets reached \$7,981,057. Capital is \$1 million and net surplus \$789,945, an increase of \$118,784. The percentage of losses incurred to premiums earned was 56 against 49 in 1950. Net earnings after taxes were \$160,890, as against \$197,298 in 1950.

The liquidating value of the stock is estimated at \$35.02 per share, as compared with \$32.98 at the end of 1950.

### Nat'l American Record

National American of Omaha in its new statement reports an increase in surplus for the year of \$180,497. Capital is \$1 million and net surplus is \$790,024. Premium reserve went up from \$2,767,655 to \$3,952,792. Premiums written were \$3,596,797 as compared to \$2,545,135. Premiums earned were \$2,411,659 and the loss ratio to premiums earned was 26 and expense ratio to premiums written, 49.

### New Insurer Makes Good Start

Interstate Fire of Chattanooga, established last year by Interstate Life & Accident with the same officials, in its report for eight months of 1951 showed

### C.P.C.U. Annual Sept. 17

The annual meeting of C.P.C.U. will be Sept. 17-19 at St. Louis with headquarters at the Jefferson hotel. The St. Louis chapter is already making plans and has named Elmer D. English, Insurers Service Corp., as general chairman.

good growth, indicating a premium volume for 1952 of at least \$750,000. Using the same agency staff, fire premiums are collected weekly.

### Boost Paramount Capital 50%

Capital of Paramount Fire has been increased from \$1 million to \$1,500,000.

Eagle Fire of New Jersey has declared a dividend of 10 cents a share payable March 10 to stock of record Feb. 25.

## CHICAGO

### Reinsurance Agency Raises H. L. Coons, H. A. Goetz

Herbert L. Coons has been named treasurer and Howard A. Goetz, vice-president and secretary of Reinsurance Agency, Chicago



H. L. Coons

reinsurance intermediary in both domestic and foreign markets.

Mr. Coons joined the agency in January. Before that he was manager of the insurance finance division of First Bancredit Corp. Mr. Goetz, formerly secretary-treasurer of the agency, is now serving as a captain with the army in Germany. He is expected to resume his duties with the agency in September.

The agency, which is supervising agent for reinsurance and direct excess lines for Peerless Casualty, is headed by Andrew J. Helmick as president. Vice-president is Jay E. Minton who manages the Dallas branch.

Insurance Distaff Executives Assn. at the Feb. 21 meeting will hear a talk by John Shelton of Merrill, Lynch, Pierce, Fenner & Beane on "How to Invest." A movie, "Fair Exchange," will be shown.

Assn. of Fire Insurance Examiners of Chicago at a meeting Feb. 21 will hear a talk on fire insurance rating by Ray Matson, assistant manager of Illinois Inspection Bureau.

## NEW YORK

### LEIGHTON AT BROOKLYN

Richard J. Leighton of Rough Notes will discuss agency management and operations at the March 6 meeting of Brooklyn Brokers Assn.

### D. & C. NOMINEES

Nominees for the board of governors of Drug & Chemical Club, to be voted at the annual meeting on Feb. 21, include J. F. Corroon, Corroon & Reynolds; J. F. O'Loughlin, Royal-Liverpool, and H. J. Wayne, Inland Marine Underwriters Assn. A. L. Ross, executive vice-president of Crum & Forster, is secretary.

### ROSS REELECTED

A. L. Ross, executive vice-president of Crum & Forster, was reelected chairman of the governing committee of York Fire Insurance Rating Organization at the annual meeting.

### Advice to Complainants

CINCINNATI—Addressing Cincinnati Fire Underwriters Assn., Robert Younger, warden of the Ohio department, urged that agents, solicitors and

company men bring to his attention possible insurance law violations and supply sufficient information with which to conduct a good investigation. Complaints, he said, too often are vague and unwilling to name names.

A. Julian Lenke, Cincinnati district representative, outlined recent activities of the newly formed inspection bureau liaison committee of Ohio Assn. of Insurance Agents. Details of a meeting with officials of the Ohio Inspection Bureau were discussed by Mr. Lenke and Arthur M. O'Connell, president of the state association and of the local board.

### Virginia Recodifying Bills Passed by Lower House

RICHMOND—The house has passed the DeJarnette bills recodifying Virginia insurance laws.

The house committee on insurance and banking killed a bill to allow suits to be brought directly against insurance companies holding liability policies covering the state, its municipalities and their agencies. It also killed a senate bill to exempt all cities having fire prevention bureaus from the state fire hazards law.

## NO SALES RESISTANCE

Wage increases always lag behind price increases, leaving the average wage earner as the real victim of inflation. They must shop carefully to make two ends meet. They are shopping for insurance, too.

Agents who represent Lumbermens of Mansfield find no sales resistance to lower insurance costs among wage earners. Many times the dividends which they receive go for other necessities — things they really need.

So — let's give the wage earner a break! Offer them insurance in Lumbermens of Mansfield — one of America's leading non-assessable Mutual Fire companies — a company with an unbroken record of dividend payments to policyholders since 1895.

## THE LUMBERMENS MUTUAL INSURANCE COMPANY

MANSFIELD, OHIO



"MUTUAL INSURANCE IS OLDER THAN THE NATION"

### Steady Growth Since 1897

Dependable protection, substantial mutual dividends, and friendly agency service by outstanding mutual agents.

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## EDITORIAL COMMENT

### Guidance Goes With Indemnity

Aviation insurance specialists note an ever increasing use of multi-engine planes by business corporations. The number of twin-engine planes that are now engaged in what is known as industrial aid use, exceed the number of such planes operated by the airlines. The experience on these industrial aid planes is good on the whole, but the way that some of them are operated causes the underwriters to shudder and

selection has to be exercised in connection with them.

The companies that commence to use a plane are grateful to well-posted agents and aviation underwriters for counsel on how best to operate the craft, the pitfalls to avoid, etc. There is no better source for advice on this score than the underwriters that have records and first hand knowledge of such operations.

### Place for the "Let's Go" Spirit

Perhaps there is no greater nor more worthwhile collective undertaking on the part of the insurance companies than the hospital admissions plan that has been worked out in a number of cities and is being constantly studied for possible improvement and that is on tapis for a number of other localities. This is the kind of thing that moves ahead on the will, enthusiasm and imagination of those who see clearly the possibility for splendid benefits for policyholder patients, for the hospital and, incidentally, for the third party payor. This is a first rate community activity, so to speak, and it deserves the intelligent and effective attention of public spirited insurance people everywhere.

Although this program poses a great many problems, it is not something to be achieved by what might be called the problem approach. What is called for is a drive that sheds problems and goes for the main chance in sure-footed fashion. The "let's go" spirit is wanted.

The principal problems, it seems to us, are solvable if all parties keep their attention riveted on the aim of the undertaking which is to get the insured patient into and out of the hospital with as little bother as possible. The problems grow more forbidding when other considerations, especially the competitive situation as between Blue Cross and the commercial insurance companies, is allowed to intrude. This might be looked upon as a race to provide service and, if so, it is a good race. The hospitals, for the sake of their own patients, as well as for their own institutional welfare, should welcome the offer of the insurance companies to accommodate their procedures in a systematic and progressive way to the best advantage of the policyholder-patient and the hospital. This plan indicates to the hospital in plain, straightforward language what the benefits of group hospital coverage are.

The insurance companies have a great

deal to offer the hospitals in the way of knowledge in the organizational and procedural and systems range. They are part and parcel of the present-day hospital system. The hospital world and the insurance world should make every possible effort to know each other intimately and to aim to achieve an integrated and smoothly operating team. By working together on this hospital admissions plan, the hospitals and insurance people will be forming liaisons in connection with which they will become acquainted with each other's capabilities, resources and problems, and there are bound to be derivative and subtle benefits of the utmost value. They are on common ground and each of the interests involved should come to understand that thoroughly.

The least that can be accomplished is to remove any lingering feeling of antagonism that there may be between the hospitals and the insurance companies. Both hospitals and insurance companies are trying to do a job and they should pool their energies and resources of knowledge. This admissions plan should be looked upon only as a means of aiding the policyholder-patient, especially the ones of limited means. It is an advantage that is wanted for the user of the hospital and that means for the hospital itself. It is not a question of an advantage of one type of insurance institution over another or of equalizing the competition. The insurance companies are here to stay, Blue Cross is here to stay and hospitals are here to stay. Blue Cross and the insurance companies are going to continue to be in the keenest kind of competition and that is all to the good. But that competition needs to be confined to the point of sale. When it comes to delivering under the contract all the resources of the hospital system and the insurers should be drawn upon to perfect the service. Vision and good will are wanted here. Distrust and suspicion need to be exter-

minated once and for all. There is a fine social purpose to be achieved and the task should be approached in a spirit consistent with such purpose.

## PERSONAL SIDE OF THE BUSINESS

**Russell Hobbs**, general manager of Western Actuarial Bureau, Chicago, and Mrs. Hobbs are having a vacation trip in Mexico.

**George Walpole** of Wm. C. Danne & Co., Chicago local agency set off this week on a month's motor trip to Key West and intermediate points.

**Tom Watters, Jr.** of the New York law firm of Watters & Donovan is on a West Indies cruise. Mr. Watters has had a couple of bouts of illness this winter.

**Pace Bartlett**, superintendent of agents, Phoenix-London group, is temporarily in charge of the group's Indianapolis office while George E. Armstrong, resident manager, is out ill.

**A. J. Snow**, manager of Oregon Insurance Rating Bureau, has been elected a fellow of Casualty Actuarial Society.

**Joseph Tompkins**, vice-president of Stuart G. Thompson-Elwell Co., Seattle, suffered a stroke which has left his right side partly paralyzed.

**T. J. Hession**, regional supervisor of Western Adjustment at Des Moines, was honored at a dinner there in observance of his 30th anniversary with the company. He has been at Des Moines more than 28 years.

**David J. Kadyk**, of the Chicago law firm of Lord, Bissell & Kadyk, has been named chairman of the committee on casualty insurance of the insurance section of American Bar Assn.

**Commissioner Joseph A. Navarre** of Michigan returned to his office last week after a fortnight's rest in Florida. His physician had advised him to take a month's holiday after he had suffered an attack diagnosed as "nervous fatigue," laid to his strenuous official routine.

**John P. Hanna**, associate managing director of Health & Accident Underwriters Conference, who has been on leave since recall to duty as a naval officer, was present in civilian clothes at the recent meeting of the conference in Chicago. Mr. Hanna, who is executive officer on a destroyer, has prospects of returning to civilian status by the end of the year.

**R. K. Hill**, secretary of Springfield F. & M. at Chicago, has returned from a trip to Mexico.

**Edward W. Leeper**, fire protection engineer of Rollins Burdick Hunter Co., Chicago, has been elected a charter member of Society of Fire Protection Engineers. Mr. Leeper graduated from Armour Institute of Technology as a fire protection engineer in 1898 and received his degree in electrical engineering from the same school in 1904. After working for Central Union Telephone Co. of Ohio and the Ohio, West Virginia and Cook County Inspection Bureaus, he joined Rollins Burdick Hunter as chief engineer in 1913. Subsequently, he achieved a national reputation pioneering fire protection in the packing industry.

**Ellis G. Arnall**, former governor of Georgia, who has been appointed price

administrator by President Truman, is president of Dixie Ins. Co. of Newnan, Ga. This is a life insurance company that was organized in 1946. He is a cousin of Hamilton C. (Pinky) Arnall, prominent local agent of Newnan, who has been prominent in agency organization affairs over the years. He was awarded the Woodworth Memorial Trophy a number of years ago for his leadership in curbing a government plan to encroach on cotton insurance. He was one of the early chairmen of the rural agents' committee of N.A.I.A. and was head of the southern agents conference. Hamilton Arnall was a director of Dixie Ins. Co.

**A. E. Heacock**, president of the Meserole companies, has gone to Miami Beach for a vacation.

### Convention Dates

March 5-6, Fire Underwriters Assn. of the Pacific, annual, Palace Hotel, San Francisco.

March 6-7, N.A.I.C. sub-committee on cost and profit factor study of casualty lines, State Office building, Chicago.

March 8-9, Missouri Agents, midyear, Missouri hotel, Jefferson City.

March 10, Insurance Federation of Massachusetts, Somerset hotel, Boston.

March 11, Pittsburgh Insurance Day, William Penn hotel, Pittsburgh.

March 13-15, Southern Territorial Conference of N.A.I.A., Homestead, Hot Springs, Va.

March 17-18, National Assn. of Surety Bond Producers, annual, Blackstone Hotel, Chicago.

March 20-22, N.A.I.C. zone 5, Baker hotel, Dallas.

March 24-25, Midwest Territorial Conference of N.A.I.A., Schroeder Hotel, Milwaukee.

March 25, New Hampshire Agents, midyear, Daniel Webster Inn, Franklin.

March 31, Buffalo Insurance Day, Hotel Statler.

March 31, Uniform Accounting sub-committee of N.A.I.C., Commodore Hotel, New York.

March 31, Insurance Advertising Conference, spring meeting, Roosevelt Hotel, New York.

March 31-April 3, N.A.I.C. blanks committee, Hotel Commodore, New York.

March 31-April 1, N.A.I.C. zone 2, Hotel Roanoke, Roanoke, Va.

March 31-April 2, Far West Agents Conference of N.A.I.A., San Francisco.

April 6-8, Eastern Territorial Conference of N.A.I.A. and New Jersey Agents midyear, Haddon Hall hotel, Atlantic City.

May 1-2, Independent Insurers, regional meeting, Savary hotel, Des Moines.

April 7, Insurance Federation of Illinois, annual luncheon, Palmer House.

April 15, Chicago Insurance Day, Conrad Hilton hotel.

April 16-18, N.A.I.C. Rates and Rating Organization Committee, Chicago.

May 7-8, Independent Insurers, regional meeting, Neil House, Columbus, O.

April 7-8, Conference of Mutual Casualty Companies, management conference, Greenbrier hotel, White Sulphur Springs, W. Va.

April 7-10, Western Underwriters Assn., annual, Greenbrier Hotel, White Sulphur Springs, W. Va.

May 15-16, Independent Insurers, regional meeting, Baker hotel, Dallas.

Howard J. Burrige, President. Louis H. Martin, Vice-Pres. & Secretary. John Z. Herschede, Treasurer. 420 E. Fourth St., Cincinnati 2, Ohio.

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CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Manager.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales

Director: George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor; Arthur W. Riggs, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadia, Southwestern Manager.

DES MOINES 12, IOWA—3333 Grand Avenue, Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT 26, MICH.—413 Lafayette Bldg., Tel. Woodward 3-2826. A. J. Edwards, Resident Manager.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager; Donald J. Reap, Eastern News Editor.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-5706. E. E. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.



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## BUSINESS

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## n Dates

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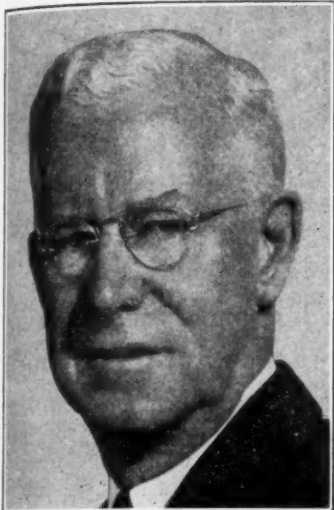
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V. Bland, Pacific

## DEATHS

**JAMES C. McKOWN**, 79, for many years secretary of St. Paul Fire & Marine, who retired several years ago after serving the company more than 50 years, died at St. Paul. He had been in failing health the past few years.

He entered the employ of St. Paul in 1888, became assistant secretary in 1915 and secretary several years later. His



**JAMES C. McKOWN**

entire insurance experience had been in the home office of that company. He was for 10 years on the governing committee of Western Underwriters Assn. His two sons are prominent in insurance. Paul is Pacific Coast chief executive of the St. Paul companies. Lyle, an executive of Wirt Wilson Co., Minneapolis, is now president of National Assn. of Casualty & Surety Agents.

**ARTHUR H. BASSETT**, 74, pioneer local agent at Tacoma, Wash., died in a hospital there following an illness of several weeks. A native of Barre, Mass., Mr. Bassett went to Tacoma in 1905 and after being associated with several insurance and real estate offices, established his own agency in 1922. Mr. Bassett was active in Republican politics and served five sessions in the Washington house. He was chairman of the insurance committee during the 1947 session when the new Washington insurance code was enacted.

**DARWIN H. GOLDSMITH**, president of the Goldsmith, Bliss & Green agency at Cleveland, died. He at one time was president of the insurance agency of Goldsmith & Rose. He was a former president of Cleveland Insurance Board.

**JOHN E. WILLIAMSON**, 47, general agent of National Fire at Philadelphia, died there.

**JAMES T. HEALY**, Springfield Fire & Marine state agent in the Upper Michigan peninsula, with headquarters at Houghton, died after a lingering illness. He had been with the company since 1921, all of that time in the field. A son, John D. Healy, is a state agent with the company traveling the same territory.

**GEORGE T. PECK** of Grand Rapids who was special representative in west-

ern Michigan for Underwriters Service Assn. of Chicago, died of a heart attack at his home at the age of 62. He had been with the organization since 1920. For a time he was located at Detroit and had been at Grand Rapids since 1926. In his earlier days he was with Grinnell Co. at Chicago.

The late **LEWIS M. HARDING** of America Fore was an examiner at that group's head office for many years, latterly with the title of assistant to the executive. He died at his residence at Brooklyn. He had been with America Fore 35 years. Before that he was with Delaware Ins. Co. at the Philadelphia head office and in the field.

**WILLETT M. POTTER**, general agent at Chicago for Great Central of

Peoria, and who was associated with Gail Reed in the insurance brokerage business at Chicago, died suddenly Tuesday morning at the railroad station platform at Deerfield, Ill. He was waiting for a commuter train to go to Chicago. He was 60 years of age. A son, Harry O. Potter, is assistant manager of Home Indemnity at New Orleans.

Mr. Potter had been in the insurance business at Chicago about 37 years. At one time he was with the old Chicago Fire & Marine. He had been closely identified with Great Central for the past 10 years or so.

**G. H. BUCKINGHAM**, New Jersey state agent of Phoenix-London for many years, died after a long illness.

**JAMES H. ELEM**, 82, father of B. J. Elem, secretary of the Central States Fire, died in a Wichita hospital. Before his retirement he was with Van Arsdale-Osborne Brokerage Co., Wichita hail general agency.

**THOMAS J. SHANNON**, who was with North British more than 27 years, latterly as examiner in the central west department in the head office in New York, died suddenly at his home on Long Island as a result of coronary thrombosis.

**CLYDE P. AUBLE**, who was a local agent at Glendive, Mont., for many years, died at the age of 63. He was also a ticket clerk for Northern Pacific.

### Cal. Freeway Contract Let

Bongiovanni Construction Co., Los Angeles, has been awarded the contract by the California department of public works at \$2,274,366 for construction of the two final links of the Hollywood Freeway. Hartford Accident will execute the bonds.

### Cal. Auto Rate Changes

**SAN FRANCISCO** — Collision premiums on private livery automobiles have been reduced for California by National Automobile Underwriters Assn., effective Feb. 18. The rate is 1½ that for private passenger use, instead of double rates as in the past.

Collision premiums on higher value commercial vehicles used in local hauling are reduced while all long haul rates are increased. Rates are increased for intermediate cars of higher values. Truck type tractors now take 25% over regular commercial rates.

Commercial car actual value fire premiums were lowered for local haul oper-

ations, but the former 75% loadings for intermediate haul and 150% for long haul are increased to 100% and 200%, respectively.

## Aetna Life 1951 Results Analyzed

Total 1951 earnings of Aetna Life's stock department were more than \$20 million before taxes, President Morgan B. Brainard told the stockholders at their annual meeting. Earnings after taxes, however, were \$17,586,361, a drop of \$2,074,294 from a year earlier. Chief reason for the decline, he said, was higher taxes.

Mr. Brainard said \$16,272,264 of the earnings came from operations of the life department, \$117,589 from the accident and liability department operations and \$1,196,508 from operations of the Aetna Life affiliates—Aetna Casualty, Automobile and Standard Fire.

Mr. Brainard said the accident and liability department showed an underwriting loss of \$1,688,161 for 1951, compared with a profit of \$855,106 the year before. However, \$1,805,750 received from interest and dividends resulted in net earnings of \$117,589.

President Brainard pointed out that also accrued to Aetna Life shareholders was a share of the undistributed earnings of the affiliates, which, in the case of Automobile and Standard Fire, amounted to \$1,146,766. Aetna Casualty showed a "red" figure of \$220,258.

Turning to allocation of 1951 earnings, Mr. Brainard said \$5 million went for cash dividends to shareholders, \$4,269,002 for strengthening reserves on life insurance and annuity contracts, and \$1.7 million was added to the employees' retirement allowance fund, bringing the fund to \$20 million.

In addition, \$6,257,000 of 1951 earnings was used to increase surplus, bringing it to \$64,237,736.

### Casualty Results Unfavorable

The underwriting loss shown by Aetna Casualty, he said, was due to unfavorable experience in compensation, liability and automobile P.D. lines. Auto lines, he said, are unfavorable because of increased costs of repairs, and the "greater and greater verdicts" rendered by courts.

Crowded conditions at the home office, Mr. Brainard said, will be relieved somewhat in the spring when Automobile and Standard Fire move to the old Phoenix building on Trinity street, now owned by Automobile. A planned \$3 million wing to the present home office on Farmington avenue is being held up because of government building restrictions.

Mr. Brainard said company records have been microfilmed and duplicates are safely deposited in a "city in the mid-west."

### Making Insurers Policemen

**WASHINGTON** — Insurance companies would be required to give assurance that cargoes of imported goods contain no contraband narcotics, under a bill introduced by Rep. Sabath, Illinois, chairman of the House rules committee, which largely controls the legislative program in the lower House.

A spokesman for Sabath said that under the measure insurance companies might have to inspect cargoes in order to guarantee that they contain no illegal narcotics.

The bill requires a company insuring cargo bound for U. S. to certify to port authorities that it contains no contraband narcotics.

The bill provides a fine on the insurer of \$50,000 for the first conviction, \$100,000 on the second and after the third conviction no cargo insured by such company shall be landed in the U. S. and the company shall not thereafter be permitted to do business in the U. S.

Harold S. Braun, attorney, has resigned as an examiner in the complaint

bureau of the New York department to join the law firm of Bernard Braun at 291 Broadway, New York City.

**John J. Wicker, Jr.**, of the Richmond law firm of Wicker, Baker & Shuford, has been chosen chairman of the membership committee of the American Bar Assn. Insurance section.

**Harry L. Thomas, Moberly, Mo.**, local agent, has retired after 15 years in the business. The agency has been purchased by James W. Carr.

**Gus Wolfe** has purchased the Lockhard agency at Neodesha, Kan., and changed the name to Neodesha Insurance Agency.

The agency of the late Floyd Rowland at Stover, Mo., has been taken over by Otis & Williams of Versailles.

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## Life Companies Expect Practical WSB Approach

### Hogg Says Realistic Attitude Correcting Initial Difficulties

Belief that Regulation 19 will work was voiced by Robert L. Hogg, executive vice-president and general counsel of American Life Convention, at the annual group luncheon meeting of the Health & Accident Underwriters Conference. He added that there is a desire at the administrative level to see that it does work. Of course the regulation is not perfect, but given a preference between a perfect regulation with unrealistic administration and an imperfect regulation with practical administration, Mr. Hogg gave the nod to the latter. He indicated belief that the administration by the WSB would be practical.

Mr. Hogg reminded his audience of the life insurance companies' stand that indirect controls, namely, credit restraint, would be the most effective method to beat inflation, whereas the government felt that direct controls, such as controls on wages and prices, were the answer. "Nonetheless," Mr. Hogg said, "these direct controls were put into effect as part of the government's overall program to combat inflation. Notwithstanding previous differences of opinion between the companies and the government over the type of controls, the companies have vigorously supported the government's inflation control program."

#### "Gradual Erosion" of Control

Mr. Hogg traced the progression, not only of the separation of the so-called fringe benefits from cash wages for regulation purposes, but also the "gradual erosion" of the general wage control program leading up to increases in wages being keyed to the consumer's price and explained the increasing difficulty to get prompt action from the WSB as being due in part to differences of opinion among board members on the principles wound up in our problems.

"Regulation 19 alone does not give the complete picture," he said. "We get this only by looking at the regulation and Resolution 78 in the light of informal conferences with board representatives and examination of the reporting form."

Mr. Hogg concluded that the board wants the program to be self-administered to the maximum extent and anticipated that before very long, through submissions of individual cases, a very clear pattern of what can and cannot be done will be established.

## MAJOR DIFFICULTIES

Major difficulties arise as to hospital expense, surgical expense and medical expense, Mr. Hogg declared. Section 1(b) of the regulation says that there can be provision for partial or complete payment for "hospital room and board charges, for other than private accommodations." Informal discussions with the board indicate that this section will be liberally construed. It will not be construed to mean that a plan providing cash payment of a fixed per diem amount cannot qualify for 30-day automatic approval so long as the benefit amount

(CONTINUED ON PAGE 27)

## Launch Pilot Hospital Admissions Plan for Individual Policyholders

All member companies of Health & Accident Underwriters Conference with policy holders in the area have been asked to participate in a pilot hospital admissions plan for individual policyholders to be launched soon in a mid-western city. The request was made by James E. Powell, vice-president of Provident L. & A. during the hospital-medical session of the conference at Chicago. Mr. Powell asked that those member companies without policyholders in the pilot city indicate a willingness to adopt similar programs in their areas if this pilot program proves successful. A hospital admissions plan for individual policyholders has been operating at Birmingham where individual policyholders are being admitted under the same hospital admissions agreements as group policyholders, Mr. Powell said. He indicated that the companies are enthusiastic about the Birmingham program, but further experimental study is indicated.

Mr. Powell termed it vital that the companies attempt to do something in this direction. He said that agents and company men alike have become painfully aware of the poor effect on the individual policyholder who must make a substantial payment before he is admitted to the hospital when he sees his friends and neighbors group-insured perhaps in his same company or under Blue Cross admitted without question and spared the necessity of extra claims procedure now required in individual hospital cases. He admitted that there will be bugs in the pilot program, but he was certain that they could be worked out. He said that a vacuum exists in the region today that must be filled by the companies if possible.

In impromptu remarks, Robert H. Rydman, assistant general counsel of the conference, commented on the partial results of a hospitalization survey being carried on by the group. Among the interesting points developed has been comparison between companies in the hospital field today and 10 years ago. Out of the 78 companies that have answered the survey only 38 were in the hospital business in 1941. The average daily room benefit of these companies in 1941 was \$4.45 whereas the average today is \$7.42, the most popular plans seem to be \$8 and the average high plan amounts to \$12.50 today. Mr. Rydman said that the conference desires to have 100 companies reply to the questionnaire.

#### Policy Provision Progress

Mr. Rydman reported that 16 states have approved the policy provisions law. He brought out that New York will not approve the law until exceptions are put in bold face type whereas Maryland would refuse to approve any policy with the exceptions printed in bold face. Mr. Rydman commented that where there is a conflict the policy provisions law takes precedence over the official guide. Questions from the floor led him to agree with the questioner that a fourth edition of the official guide may have to be put together as a result.

R. J. Wetterlund, president and general counsel of Washington National said that a company is known to other companies, to producers and to the public by its claim philosophy. The companies have done far too little to develop any kind of a coherent and liberal claim philosophy with which they can set about to inculcate their claim personnel. He termed it the function of top management to make it known to the claim personnel what the policy of the company is and that the policy is an honorable one. For a company to have a poor, inequitable and inefficient

claim operation means that the company will have a difficult time recruiting new agents and selling new policyholders, he said. He commented that the largest portion of the premium dollar goes into claim payments and it is highly important in a company that claims activities take precedence or at least are granted equality with other activities.

It is highly important to explain in each claim turned down why the claim has been disapproved. He termed the agent's part the least developed area of an underdeveloped field. While the industry spends a great deal of money to train the agent in sales and even underwriting techniques, almost no time is spent acquainting him with his place in the claim picture and with the claim philosophy of the company. The claims philosophy should emanate from the top management of the company and should be implemented by the top claim official of the company, so that everyone knows where the organization stands, Mr. Wetterlund concluded.

## FEDERAL THREAT

In his opening remarks, Jarvis Farley, Massachusetts Indemnity, conference president, commented that at the 1949 meeting, one of the main topics was the proposal of the government to establish a vast compulsory federal plan to provide hospital and medical care insurance. That proposal has now been shelved, at least temporarily, in favor of one to establish a more limited plan for hospitalization of older people.

Mr. Farley said that the shelving of the more ambitious government scheme may have been in some important measure due to the progress of the companies in providing good hospital and medical insurance by voluntary methods.

W. C. Murphy, vice-president of American Hospital & Life, talking on hospitalization insurance for over-age risks, said this is a coverage for which there is a demonstrated need.

From five viewpoints, the companies have reason to write over-age hospitalization, Mr. Murphy said, mentioning the recent proposal of Oscar Ewing of the federal security administration to have the government supply free hospitalization to persons over 65; the need for a policy for which group policyholders of companies granting conversion privileges may apply; the advancing age of policyholders insured at young ages must be considered, since many of those persons insured 15 or 20 years ago are now reaching age limits on most policies; the need of new fields for solicitation by the agents, and the need for new business by the companies.

The business probably could be written at a profit, Mr. Murphy said, suggesting that premium rates be kept low and coverage limited so as to attract the buyer.

#### Over-Age Hospitalization

He said that the hospital committee questioned four of the large writers of over-age hospitalization, indicating that it is standard practice to decrease the benefits somewhat. For those policies issued over age 60 there is also an increase in the premium.

Paul H. Schultz, assistant secretary of National Masonic Provident, talked on "Necessary Exclusions in Medical and Surgical Expense Policies." He gave his impressions as to what the exclusions should be in surgical and medical policies, mentioning among other things an insuring clause that

(CONTINUED ON PAGE 27)

## A. & H. Group Meeting Sets New Attendance Mark

### Problems in Field of Big Premiums and Big Losses Are Aired at Chicago

Registration of the annual meeting of the group committee of Health & Accident Underwriters Conference this week at Chicago again set a new record, the total exceeding 350. Interest in group coverages has steadily increased with new companies entering the field, premium income in which is now nearly \$1 billion.

The group writing companies are becoming increasingly concerned about their loss ratios. A representative of one of the companies which has written some DBL business in New York and has done some franchise, expressed the opinion after attending the seminar on group of Bureau of A. & H. Underwriters and the conference meeting that perhaps the best move would be to retreat to the storm cellar and lock the door. However, the field, despite its narrowing profit margin, is extremely competitive.

#### Discuss Underwriting and Expenses

In contrast to the past few years, when the emphasis has been on production, writing under the state compulsory disability laws and new fields and new types of coverage, the Chicago sessions were devoted primarily to underwriting and expenses. The panel on hospital and medical costs was introduced as the result of an informal poll of the members as to what subject they would most like discussed. The first morning's session on fundamentals of underwriting put stress on selection, making the most of insurance principles and not so much of volume for volume's sake.

The spotlight feature of the two day meeting was a panel on hospital and medical costs. This subject, the committee felt, is the one deserving special attention, and the panel session drew a capacity audience of approximately 400.

Participating in the discussions were John W. Joanis, Hardware Mutual Casualty, chairman of Health Insurance Council; Richard Jones of the Blue Cross and secretary of Health Service, Inc.; Dr. Paul B. Magnuson, chairman of the President's commission on the health needs of the nation, and Richard Vanderwarker, superintendent of Passavant Memorial Hospital of Chicago.

C. O. Pauley, conference managing director, was moderator. He explained that the panel was an experiment in programming. The aim was to get a thorough discussion of the causes (other than inflation) of rising hospital and medical care costs, and to find some answers, if possible. The speakers had no prepared papers. A number of questions were propounded by Mr. Joanis and were very candidly dealt with by the other panel members.

Mr. Joanis asked about 15 questions. Although he stated that this was practically an extemporaneous affair, it was obvious that considerable thought had gone into his questions and when the meeting was thrown open for questions from the floor, it was evident that

(CONTINUED ON PAGE 28)

## U. S. F. & G. Figures Record Trials of 1951 Auto Line

U.S.F.&G. reports net premiums written in 1951 were \$113,284,056, an increase of \$11,542,772 and more than double the figure of five years ago. There was an underwriting loss of \$4,633,593, calculated on the statutory basis. Net investment income was \$4,577,105.

Net income from operations, which included \$688,170 of other income—mostly net profit from the sale of securities and other assets—amounted to \$804,944. Unrealized gain of \$5,695,545 in the value of securities was added to the voluntary reserve, and surplus to policyholders was \$71,635,917, an increase of \$3,700,488.

Assets were \$208,397,678; voluntary reserve amounted to \$19,154,715; surplus to policyholders, \$71,635,917. On a consolidated basis, giving effect to the merger of F. & G. into U. S. F. & G., assets were \$241,216,327; voluntary reserve, \$19,154,715, and surplus to policyholders \$71,904,804.

The statutory underwriting loss was the first in 16 years. Automobile B.I.

and P.D.L. were chiefly responsible, but contributing factors were reduced profits on fidelity and surety and certain other lines and the abnormal increase in premium reserve which occurs every three years when most fidelity policies are renewed. Workmen's compensation premiums were up about 9%. Surety premiums for the first time went beyond \$10 million, reflecting the expansion of construction activity. For 10 years beginning with 1940 surety loss ratios were normal but in the last two years there has been a substantial rise, narrowing the margin of profit.

"The trend of automobile bodily injury and property damage," President E. Asbury Davis writes, "became progressively worse in 1951. When the results of all companies are published, it is likely that the industry will report the most unsatisfactory experience in any year since the early thirties. Nineteen forty-six was the only previous year since 1935 when the entire casualty business recorded an adverse underwriting account. That was due to the time lag in changing from war-time rates to new rates made necessary by the ending of gasoline rationing and other motor vehicle restrictions. Again in 1950 and 1951, automobile insurers were caught in a squeeze between inadequate rates and climbing costs. Automobile premi-

ums constitute more than a third of all casualty premium income, and with loss ratios on an earned premium basis running into the high sixties, the profits from other lines will probably be consumed an over-all underwriting debit balance remain.

"Applications were made during the year for emergency rate increases, and in most instances the conditions were recognized and relief granted. A few states, however, granted no increase or less than the facts seemed to warrant. Taking B.I. and P.D.L. together, and for the country as a whole, it is estimated that the new rates represent an approximately 15% increase over the former rates. Policies in force are permitted to continue to expiration at the old rates; consequently, not more than 2% of the increase is manifest in premiums earned in 1951. It will be 12 months hence before the full benefit is realized.

### Further Changes Required

"Will the new rates solve the problem? Not completely. They were geared to conditions existing at the time. Developments since then definitely indicate that they are not enough and that further changes will be required."

Fidelity & Guaranty gave a good account of growth, although the loss ratio on fire and allied lines, while still favorable, was several points higher. Inland marine loss ratio was up several points, there being a marked increase in jewelry and fur thefts, particularly in metropolitan areas. Automobile physical damage loss ratio was higher by nearly 10 points. F. & G. net premiums were \$30,125,602, an increase of \$7,319,000.

## Feagan, Green, Brown Are Promoted by Inter-Ocean

A. C. Feagan, Pittsburgh manager of Inter-Ocean, has been elected resident vice-president for the territory comprising western Pennsylvania and eastern Ohio. T. H. Green has been named Pittsburgh manager, and W. F. Brown has been made manager of the newly created Liberty district at suburban East Liberty.

Mr. Feagan has been with Inter-Ocean and its predecessor, Consolidated Casualty, for 38 years in the Pittsburgh area. He is a past president of Pittsburgh Assn. of A. & H. Underwriters.

Mr. Green has been with the company since 1934 and has been superintendent at Pittsburgh since 1937. Mr. Brown started with Inter-Ocean in 1943 and was a superintendent in 1948.

## Wash. Extension Ruled Out

OLYMPIA, WASH. — Superior Judge Wright held that the law passed by the 1951 legislature bringing building service workers under the monopolistic Washington workmen's compensation act is unconstitutional.

The attorney general indicated that an appeal will be taken to the state supreme court. It will probably be several months before the high court can consider the appeal.

Judge Wright issued an injunction restraining the state from enforcing regulations promulgated under the law to collect compensation premiums from employers of building maintenance workers.

## Unanimity at Last

There is a sign over the drinking fountain in the WSB offices in Washington, D. C., which reads:

"Please don't wash cups here. Keep it clean. This is a tripartite decision—unanimous."

## Mich. Legislature Gets Compulsory Disability Bill

LANSING, MICH. — A compulsory disability insurance bill has been introduced in the Michigan legislature. It would require employers of four or more persons, along with contribution by their employees, to provide disability coverage amounting to one-half of average weekly earnings up to a maximum of \$26, payments to be continued for a maximum of 13 weeks. Minimum weekly payment would be \$10.

Employer contribution would be limited to one-half of 1% of wages. Employers could insure with private companies, the state accident fund, assume their own risk if certified financially able, or create a special trust fund deposited with the state treasurer.

Waldo O. Hildebrand, secretary-manager of Michigan Assn. of Insurance Agents, made two appearances before the committee considering the bill to express association opposition.

### Other Measures

Several other measures affecting insurance have been introduced. One would require insurers to give 30 days rather than 10 days termination notice on workmen's compensation policies. Another would require promoters of professional boxing bouts to provide participants insurance coverage of \$500 for injuries and \$5,000 for fatalities.

Another bill would permit substitution of liability insurance for surety bonds covering liquor licensees. The agents' association also has gone on record as opposing this on the grounds that it would not provide adequate protection to the public.

An insurance department appropriation bill totaling \$413,669 for the coming fiscal year has been introduced. If approved, this amount would be sufficient to enable the Michigan department to complete its planned reorganization program.

Legislative action has been postponed on a controversial measure which would permit payment of compensation in cases of partial disability from silicosis and similar dust diseases. The bill would repeal the present section providing that compensation shall be paid only for total disability up to a limited sum. Opponents assert that it might bring a flood of compensation claims from as many as 220,000 persons of whom a large percentage are now earning their own livelihood.

## Barsantee Takes Higher "Ad" Post with Travelers

Harry Barsantee has been promoted to associate manager of the public in-

formation and advertising department of Travelers. He joined the company in 1936 as supervisor of the news bureau and was named an assistant manager of the department in 1948.

Mr. Barsantee is a graduate of the University of Wisconsin school of journalism and worked on newspapers at Milwaukee and Madison, Wis. Before joining Travelers he was in advertising and public relations at Chicago for seven years. He was an air force public relations officer during the war.

About 30 mutual field men in Wisconsin last week honored Jess D. Green, of Stanley, Wis., who has been state agent for Mill Owners Mutual Fire of Des Moines for 30 years. Mr. Green also has a local agency at Stanley.

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A. C. Feagan



Harry Barsantee



## Many Problems in Group Major-Medical Expense

and men in Wis-  
**Jess D. Green,**  
 has been state  
 Mutual Fire of  
 ars. Mr. Green  
 at Stanley.

The problem of underwriting pre-existing conditions is the one which most plagues Prudential's underwriters. Mr. Thaler said that since this is a group coverage, the company has tried to take the position that preexisting conditions which are non-disabling in nature are

The claim department has had some experiences of interest. When the program was first introduced, detailed claim instructions were prepared, as well as a set of claim forms. There were seven claim forms in all, one for each type of benefit, plus an employer state-

**Ray B. Duboc, President**

ment and an employee statement. The sales department raised objections to the lengthy and complicated instructions and to the numerous claim forms. The result was a combined claim form, plus an employer statement and employee statement, or three forms in all. The claim department had considerable misgivings about this second approach and they turned out to be justified. The first employer on whom it was tried objected strenuously to the combined form, and requested separate forms. He felt that from the employee's viewpoint, the confidential nature of a doctor's statement regarding the diagnosis should not be made available to the druggist, x-ray technician, or any other non-technical person. From the doctor's viewpoint it was felt that there would be many objections to allowing his fee to be known to the nurse, druggist, physio-therapist, etc. Prudential is back again to separate claim forms, although on a revised and somewhat simplified basis.

Prudential provides each employee a little booklet entitled "Record of Major-Medical Expense" in which he can record each item of major-medical expense as it occurs. Another little booklet entitled "Claim Information About Major-Medical Expense Insurance" is given each insured employee. It explains basic requirements for qualifying for claim payments, as well as the procedure to be followed.

A. M. Wilson, group underwriting

manager of Liberty Mutual, in his discussion of "Catastrophic Medical Insurance" said that his company's experience demonstrates that with a \$300 deductible, the insurer will be concerned with major diseases.

In general, the percentage of loss is highest on the items causing the greatest frequency, he said. For example, on the named insured 66% of the claims occur on six items, and they cause 79% of the loss. All other causes of loss amount to 34% of claims and only 20% of the loss. About 39% of the named insured are males, and the bulk of the claims come in order from circulatory and heart trouble, disease of the digestive tract, genital-urinary disease, cancer, eye, ear, nose and throat, and mental illness.

The dependents incur 75% of their loss on claims involving female disorders, cancer, mental illness, circulatory and heart trouble, gastro-intestinal disorder and accidents and fractures, which account for 62% of claims.

#### Old Age Problems

"We do not get to the problem of catastrophe insurance by eliminating coverage after a person reaches a given age," Mr. Wilson said. "If we attempt it there is great danger the people and their representatives in government will not accept it. Recently I was approached by a group of men, who had had catastrophe coverage for some time with

a request that a means be devised under which they all would pay somewhat higher premiums each year so that at age 65 they would have a paid up policy for the remainder of their lives. I believe actuaries in the future will be working with this problem. It will not become feasible to begin work on it until experience with morbidity yields some credible tables."

Mr. Wilson said that Liberty Mutual made some calculations using the rates mentioned by Mr. Thaler. On an average age group there is no significant difference between the companies. On a high age group, rates of Liberty Mutual would be much lower, but Mr. Wilson explained that that is purely academic, since a high age group would not pay Liberty's price nor be acceptable by the company as a risk falling within the range of average.

## Start Cincinnati Safety Campaign

The February meeting of Cincinnati Assn. of A. & H. Underwriters signalized the inauguration of the organization's "25-35 Club," a safe-driving movement for accident prevention in Cincinnati and environs, of which the association took sponsorship in January. Members and guests attending the meeting became charter members of the club by signing pledge cards.

The pledge goal is 100,000 persons. Representatives of the Cincinnati police department, the Greater Cincinnati Safety Council, local fire and casualty associations, service clubs, Standard Oil Company of Ohio, and Cincinnati newspapers were present and offered their cooperation to make the campaign a success. Association President Robert G. Myers, Massachusetts Protective, emphasized how approaching the public on behalf of the campaign will result in good public relations for the A. & H. business and be a means of improving contacts with prospects and clients.

#### Question and Answer Discussion

Vice-president R. W. Bickelhaupt, Mutual Benefit H. & A., conducted a question-and-answer discussion. On the panel of experts who answered questions were Joseph W. Scherr, Jr., vice-president of Inter-Ocean; William R. Dignan, president W. R. Dignan Associates; George Hammerlein of Minnesota Mutual Life, and Samuel L. Williams, manager Bankers Life & Casualty.

In answer to questions regarding direct mail prospecting, Mr. Williams said that his office mails out about 200,000 pieces a month. The average return is from 1.1% to 1.4%, and about 58% of those returns result in sales. Each sale, in turn, often results in the issuance of more than one policy.

Mr. Dignan cautioned against over-insurance with loss-of-time coverages in relation to earnings. He said that coverage amounting to 80% of earnings is too high when measured in today's dollars, especially in view of current taxes, because such coverage might equal 100% of income after taxes and thereby present a moral hazard. He recommended a maximum coverage equaling up to 75% of earnings, and even only 50% in some cases, depending upon the amount of salary involved.

The question as to whether or not an agent should specialize in A. & H. brought a several-sided discussion. Three points of view were: (1) that the A. & H. business is in itself a highly specialized field and, therefore, the agent should be a specialist in his own right; (2) that the agent take care of all the personal insurance requirements—A. & H., life, fire, automobile, casualty—of a not-too-large number of clients; (3) that the agent, while primarily a specialist in A. & H., could broker or even write some of the other lines in an incidental way as opportunities came up during his A. & H. work.

## Viehmnn Gives Views on Excess Limits Rate Change

Commissioner Viehmnn of Indiana has been critical of the recent filing of National Bureau of Casualty Underwriters for an increase of some 36% in the rates for automobile excess limits coverage, and in response to an inquiry from THE NATIONAL UNDERWRITER as to the nature of that criticism, Mr. Viehmnn replies:

"It is true that I was not satisfied with the filings originally submitted by the National Bureau of Casualty Underwriters. Apparently, other states also found similar reason and fault as I found that a number of them are following Texas's lead or similar reasoning and requesting an adequate re-adjustment after reviewing the first submission by the National Bureau.

"It has been known for some time that the excess limit tables that have been in use for many years are inadequate. Some reinsurance companies, because of the inadequate premium suffered extreme high loss ratios during the past several years. It became necessary for these companies to ask for additional sums from the reinsured company and in many cases this required that part of the primary premium be used to purchase reinsurance. If this continues there will be an absolute indication of the drying up of the reinsurance facilities in the automobile bodily injury plan. Today when a number of states have on their books financial responsibility laws requiring the purchase of automobile insurance to show financial responsibility, I believe it would be unwise for these people to be required to increase their cost for automobile insurance because of the losses now being incurred by those who need the additional excess protection.

"I believe further that in view of these studies that the proposed increase in excess limits proposed by the National Bureau was wholly inadequate. I submit in Indiana they only asked for an increase on 10/20 limits of 90c, for 15/20 \$1.26, 100/200 \$2.88 and 100/300 \$3.04, the other limit tables being similar in a small additional charge for these excess limits. Is a 90c increase in the 10/20 excess limit tables adequate when the industry submits an example contending that a former \$6,000 settlement is now being increased to a \$10,000 one?

"In giving this complete study, particularly in these days when not only companies' experience is taken into consideration, but it is now recommended that we include trends, I do not believe that the National Bureau members and others gave as close study to the situation as these insurance organizations should have.

"Further, the tables now in use were made up in 1932 and at that time a reduction was made in excess limit tables over rates charged at that time. I believe it unwise to still stand on tables made during the depth of the depression in 1932.

"It is the duty, however, of insurance departments to see that insurance rates are wholly adequate as well as requiring that decreases be made when the departments believe the rates are too high. It is our job to see that the companies are not only solvent, but kept solvent.

"In arriving at the conclusion we have studied the so-called Texas formula of excess limit tables recently put in effect and have come up with the opinion that the companies writing excess limit automobile liability insurance in this state should use the tables shown in table 4 of the automobile casualty manual, which closely approximates those of Texas. This, we believe, will prove fairly adequate except we still believe the excess limit tables on 50/100, 100/200 and 100/300 are still inadequate and should be further studied and increased."

## What Atlantic Offers Producers In 1952

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## Miss. Decision on W.C. Act Is Causing Some Concern

Workmen's compensation insurers in Mississippi are viewing with some concern the decision of Judge Hannah, at Laurel, declaring the Mississippi compensation act violative of the Mississippi constitution.

The case is Mrs. Gladys Walters et al vs. Blackledge and Newcomb, doing business as City Electric Co. and as Dykes Construction Co.

The plaintiffs are the widow and surviving children of Mitchell Walters, deceased, and the suit is a statutory or common law action for the alleged wrongful death of Walters.

Walters was in the general employ of the defendants, and at the time of his death was riding in an automobile being driven by one of the defendants. The complaint does not charge the existence of the relation of master and servant at the time of the accident, but charges a guest relationship.

### Claims W.C. Only Remedy

The defendants filed pleadings setting up that the relation of employer and employee existed between the deceased and the driver of the automobile at the time of the accident, and that, accordingly, the only remedy for the death was under the workmen's compensation act. The pleadings filed set up the alternative that if the compensation act was not applicable, the exclusive remedy was under the Louisiana workmen's compensation act. By way of explanation, while Walter's general employment was in Mississippi, the accident resulting in his death occurred in Louisiana.

The plaintiffs filed a demurrer, raising the question of the constitutionality of the Mississippi act, therein asserting that it was violative of sections 1, 14, 24 and 31 of the state constitution and also violative of the 14th amendment to the federal constitution.

T. C. Hannah of the law firm of Hannah & Simrall of Hattiesburg, was appointed special judge to try the case.

### Finds Constitution Violated

Judge Hannah rendered the opinion that the workmen's compensation act was violative of the mentioned provisions of the state constitution. Section 1 of the constitution is the provision which divides the state government into the three divisions, legislative, judicial and executive. Section 14 is the due process clause similar to section 14 of the federal constitution. Section 24 is the provision to the effect that the courts shall be open, etc. Section 31 is the provision that the right of trial by jury shall remain inviolate.

The decision seems to be limited only to the provisions of the Mississippi constitution. The opinion points out that it was necessary for the constitution in many states to be amended in order to validate a compensation law.

U. S. F. & G. carried the compensation insurance of the defendants and Lumbermens Mutual Casualty carried

law in the state, and is not interfering in any way with the operation of the law.

A decision of the supreme court will not be had for a considerable time. A final decision in the lower court is not imminent. There is still pending the pleadings to the effect that the Louisiana compensation act is applicable and is the exclusive remedy. A demurrer has been filed to this pleading. Should this pleading not be sustained, then issue will have to be joined on the merits and a trial had on the merits. Then and then only can the case be appealed to the supreme court.

## Study Given to Idea of Model Aviation FR Bill

Attention is currently being given in casualty organization ranks and on the part of supervising authorities of aviation activities at the state level to the idea of drafting a model aviation financial responsibility bill. The study is being carried on from the insurance standpoint through Assn. of Casualty & Surety Companies and National Assn. of State Aviation Officials is approaching the task from the supervisory standpoint. Aviation financial responsibility laws are now in effect in Illinois, Nebraska, and Indiana.

# REINSURANCE

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### 1952 Detroit Insurance Phone Directory Is Out

The 1952 edition of the Detroit Insurance Telephone Directory, published by the National Underwriter Co., is off the press. The directory contains a comprehensive listing of insurance telephone numbers and addresses. Every type of insurance office is listed. Cross-listed are the names of the top men in the offices. It also includes a special classified Service Guide.

The book is available from the National Underwriter office at 1103 Lafayette building, Detroit 26. The price is \$1.

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## Lauds Policy Sans Yak-Yak, Lawyer's Greek and Flub Dub

The magazine "Sales Management" has an article the gist of which is pretty well told in the caption: "Sears Strips Legal Yak-Yak from Its Insurance Policy. Buyers of Allstate's auto insurance policy now find more every-day words in the fine print and 41% fewer words in the entire policy. And the clean-up was made by a lawyer!"

Davis W. Ellis, vice-president and general sales manager of Allstate, was

quoted as saying that Sears Roebuck & Co. has learned certain secrets on how to get the name on the dotted line or the check. Chief among these are a picture and a description of the item quickly told in the simplest words. Hence Allstate decided to "cut legalistic curlicues out of its policy."

The author of the article concludes, thoroughly converted:

"We never bought a policy to get a lawyer's Greek, flub-dub, or something out of Alice in Wonderland."

## Insurer Liable to Third Party Under FR Law Though Policy Provision Breached

Failure by insured to notify his insurance company within the 30-day period of purchase of a new automobile relieved the company of liability as to him, but, because of provisions of the financial responsibility act, insurer was liable to third persons injured through operation of the vehicle, New Hampshire supreme court ruled in *Farm Bureau Automobile vs. Martin, et al.* The case was 37 CCH (Automobile) 798.

The supreme court modified the lower court ruling, however, by holding that the insurer was liable only for the liability limits required by the responsibility act, rather than the higher policy limits.

Insurer's contention that the policy had lapsed because assured did not make notification within 30 days of acquisition of a new automobile was disregarded by the court as to the liability coverages since the financial responsibility act makes liability of the insurer under its policy absolute on the occurrence of an accident. No violation of policy terms would void the policy so as to bar recovery for such accidents within the limits set forth in the act, the court held.

The policy carried an endorsement providing that it was a "motor vehicle liability policy" as defined in New Hampshire laws.

## "Use," "Actual User" Found to Be Same in Auto Case

Tennessee supreme court has held that where there was no direction on part of the owner for the permissive user not to take the vehicle to places other than the intended destination, and where he was not directed to return it immediately after completing the intended trip, the "actual" use was with permission of the owner. The case was *Foley, et al. vs. Tennessee Odin. Ins. Co.*, 37 CCH (Automobile) 792.

Foley had recovered a judgment of \$1,500 against David Dies as a result of the latter's negligent operation of a truck loaned him by his employer,

Dixon. Dies had borrowed the truck to go to a near city to get a nephew out of jail. There was no specification when or how the truck should be returned. After completing his trip, Dies later started a second one and the vehicle swerved off the highway and into the residence of Foley. Dies was employed by Dixon as a truck driver and continued this employment after the accident.

The insurer denied liability, contending that at the time of the accident Dies had completed the mission for which the truck had been loaned and got off on an entirely independent mission. Since the wording of the "additional assured" clause was changed to "providing the actual use of the automobile is with the permission of the named assured," the insurer argued it must be taken that the use at the time of the accident must have been with permission of insured.

The court held there is no real distinction between the word "use" and the words "actual use" insofar as the case was concerned.

## Rockford Rally March 27

An insurance round-up that will include buyers as well as local agents and company men is being planned for Rockford, Ill., March 27 and this will be designated Rockford Insurance Day.

## Los Angeles Adjusters Elect

Adjusters Round Table of Los Angeles has elected these officers: President, C. J. Watson, Loyalty group; vice-president, Elden Triplett, America Fore; secretary, Carl Bigge, Aetna Fire.

## Four Officers Advanced

Milton C. Rask has been elected secretary of the Fred L. Gray, Co., the Minneapolis general agency. Ernest A. Blume and Earl W. Loose are named assistant vice-presidents and Earl S. Benson becomes assistant secretary.

## R. J. O'Rourke to Atlantic

Robert J. O'Rourke has joined Atlantic Mutual at St. Louis as inland marine manager. He has been assistant manager of the inland department of Continental Casualty at Chicago since 1946.

## Oregon Leaders to Meet

The executive committee of Oregon Assn. of Insurance Agents will meet Feb. 25 at Portland.

## MacDuff to MV Spot in N. Y.

James R. MacDuff, banker and local agent at Schenectady, N. Y., has been named motor vehicle commissioner of New York.

Gayer G. Dominick, a limited partner of the New York Stock Exchange firm

of Dominick & Dominick, has been elected a director of Continental. He is also a director of Fidelity & Casualty.

## Casualty Adjusters Told of Chicago Traffic Program

What is said to be the first privately financed attempt to eliminate traffic congestion and reduce accidents in the Chicago area was outlined at a luncheon meeting of Chicago Casualty Underwriters Assn. by Franklin D. Sturdy, director of Citizens Traffic Safety Board of Chicago.

Organized at the suggestion of Mayor Kennelly, the board plans to reach its goal through a three point program of better traffic engineering, enforcement of traffic laws and education. Also important will be attempts to stiffen requirements for drivers' licenses and backing for needed traffic legislation. The traffic board has an annual budget of \$120,000, 20% of which is to be borne by casualty companies.

Mr. Sturdy mentioned that in the last 20 years the only traffic improvement has been construction of a few miles of subway, only a modest start on an expressway system and some repaving of streets. He opined that the board will help instill in the public an attitude that something has to be done and soon.

Non-political, the board will attempt to bridge the gap between city officials and the public, Mr. Sturdy said. He added that the present congested situation, with its accompanying high accident rate, is not surprising considering there has been a 67% increase in vehicle registration in the last six years, with no great enlargement of traffic facilities.

Insurance Women of Kansas City held their annual "Bosses Night" dinner with about 80 in attendance. Gordon Parkinson of T.W.A. spoke on "Junk—Mental and Physical."

## To Head F.U.A.P.

John E. Clark, assistant manager of American, is slated to be elected president of Fire Underwriters Assn. of the Pacific at its annual meeting at San Francisco March 5-6. Mr. Clark, a former chairman of the association's educational committee, has been vice-president the past year and during the illness of John M. Wylie, president, has assumed the responsibilities for the program for this year's conference.



John E. Clark



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## Looking for Practical WSB Approach

(CONTINUED FROM PAGE 21)

in dollars and cents equates the cost of a semi-private room. Upon a showing of what the cost of semi-private care actually is in the particular locality of the contract's operation the board will apply the 30-day procedure where the amount stated in the plan approximates the prevailing local charge. The board is not concerned over the possibility that an employee may become hospitalized in some other locality where the semi-private rate is substantially lower. Compliance can be certified even though the benefit is in the form of a stated dollar and cents amount, instead of reimbursement for semi-private care. The dollar benefit, however, must approximate the cost of semi-private accommodations in the particular locality. In such case certification should be supported by some showing of existing local cost of the semi-private care.

The regulation also authorizes partial or complete reimbursement for extras or miscellaneous charges such as laboratory, x-ray examinations, drugs, and medicines, use of operating rooms but says that the plan must not contain any feature listed among the review criteria set forth in accompanying Resolution 78. The resolution then lists as disqualifying or unusual types of benefits "special nursing; full payment of private room; blood plasma; treatment of tuberculosis, nervous or mental cases for a period in excess of 30 days for each confinement; rest cures."

Many plans grant these so-called unusual benefits in one way or another. Mr. Hogg declared. Literally this would mean that if a plan covered these benefits in any way, then the plan did not have the benefit of the 30-day automatic approval status. Informal discussions with the board buttressed by the re-

porting forms again show a more liberal construction. A 30-day plan can cover these unusual benefits so long as they are not specifically mentioned. They can be covered as extras or miscellaneous. As an administrative procedure, however, the staff will examine the possible cost of the benefits coming under extras or miscellaneous charges. If the total exceeds 50 times the primary daily rate, the plan may be referred to the tripartite board for consideration. This 50 times factor does not in any way prevent certification by the employer.

For surgical benefits the criteria for automatic 30-day approval are: (a) a fee schedule not in excess of the appropriate veterans administration prepayment surgical schedule or the standard \$200 commercial insurance schedule, (b) a fee schedule in which there are no unusual allowances for specific procedures exceeding "by a significant amount" a corresponding fee in the veterans administration prepayment surgical plan or the standard \$200 commercial fee schedule, (c) any unusual type of benefits such as

dental; plastic surgery for cosmetic or beautifying purposes; major surgery.

Obviously there is a great deal of discretion about certification, Mr. Hogg commented. It is easy to determine whether a fee schedule complies with the veterans administration prepayment surgical plan. Whether a schedule is a standard \$200 commercial schedule is easy to decide. Similarly it is a matter of judgment whether a particular benefit exceeds one of these fees "by a significant amount." The unusual type of benefit prohibition is likewise clear.

Every company raises only three questions. (1) Is its own fee schedule in fact a standard \$200 commercial fee schedule? (2) If there are any unusual allowances for specific procedures, are they significantly in excess in amount of those of the Veterans Administration plan or the commercial \$200 plan? (3) If there are unusual types of benefits, will they nonetheless be approved on review by the committee?

These points were discussed with the board with the result that the board offered to look over in advance the fee schedules of companies desiring to submit them. In its determination of the standard \$200 fee schedule the board has

been impressed with the fact that 75% of surgical benefits are paid by reason of seven operations although the plans cover many others. The board in considering the schedules will rely upon a weighted combination based almost entirely upon these seven operations. It is expected that even though schedules may contain some fees in excess of \$200, analysis will show that in some cases the overall benefits are equivalent to many schedules with a \$200 maximum limit.

Thus far there have been 40 such submissions of forms. It is understood that approval has been given to all plans with \$200 limits. The \$300 limit schedules have not been approved and probably plans based on these schedules will have to be considered on a case by case basis as they are presented. There is a decided probability, however, that the submission of these schedules in advance of the submission of specific plans means more automatic approval than the technical wording of approval before the expiration of this 30-day period. Plans not meeting the 30-day automatic approval requirements are to be promptly considered. Some of them may even be affirmatively approved and become effective as soon as the 30-day plans.



A low sultry voice coos into your receiver. "This is Dottie Dee", it breathes. "Does my policy cover a broken car window?"

"Yes", you answer, struggling to keep your tone business-like.


Now go one step further and give her the name of a good Auto Glass Shop. She'll love you for saving her the time and bother of hunting for one. Also make sure she insists on the same quality and brand of glass that's in the other windows.

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SAFETY  PLATE

## Try Out New Individual Hospital Admission Plan

(CONTINUED FROM PAGE 21)

would eliminate pre-existing conditions and "congenital defects or pre-existing deformities."

If the sickness provision of a health and accident policy is not put in effect for 30 days, the same practice should be found with a medical and surgical contract, Mr. Schultz said. He warned also that if the company is offering medical and surgical coverage only when the claimant is in the hospital, that should be thoroughly understood by the policyholder. He suggested that coinsurance may be the answer to many of the problems in the medical-surgical field.

### Oral Surgery Possibilities

Possibilities of insuring oral surgery performed by dentists were discussed by Lambert G. Schulze, agency assistant of Provident L. & A., who explained that the dentists themselves in some areas are quite anxious to be included in insurance plans.

Dentists were warned at their annual meeting against a growing movement to cover them under the social security act, Mr. Schulze said, and the American Dental Assn. president recommended that the group go on record favoring the inclusion of dental surgery in Blue Shield plans. "We may well say that is fine—let them do it, we don't want to," Mr. Schulze declared, noting this is "about the same thing we said about hospital insurance some 15 or 20 years ago. I believe the insurance industry has a responsibility to make a comprehensive study of this, with the hope of arriving at a solution which will be in the form of actually writing a realistic measure of insurance procedures for oral surgery, at least."

Blue Cross and Blue Shield are studying the problem, he added, commenting that it would be better for the insurers to come forth with something on their own rather than be forced competitively to follow others.

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## CHANGES IN CASUALTY FIELD

### Fosbrink Aetna Casualty New Manager at Hartford

Roy L. Fosbrink, assistant manager at Hartford of Aetna Casualty, has been named manager there. He succeeds Robert W. Conly, who has been named assistant vice-president.

Mr. Fosbrink was graduated from Purdue University and joined Aetna in 1929. After special training at the home office, he was assigned to the R. C. Knox agency at Hartford as a bond special agent and in 1934 became superintendent of the bond department. He was

named assistant manager at Hartford in 1946.

He is a navy veteran, a former president of Casualty & Surety Club of Connecticut and Sales Executive Club of Hartford.

### Two Engineers Are Promoted

Howard E. Werner has been placed in charge of boiler and machinery inspection for Lumbermens Mutual Casualty in the New York City area. He replaces T. J. Queenan, who was recalled to the home office in Chicago. He became an insurance inspector eight

years ago after going to sea for five years as an engineer.

John B. Hanson was promoted to supervising engineer at Syracuse, in charge of boiler and machinery inspection for upstate New York. He replaces J. P. Mills, who resigned to join a Syracuse industrial firm. Mr. Hanson formerly was an engineer at Buffalo for Lumbermens. Before entering insurance inspection six years ago, he sailed the Great Lakes for 11 years as chief engineer.

### F. D. Cunningham General Counsel of Central Surety

Fred D. Cunningham has become general counsel of Central Surety in charge of the legal, claims and loss departments. He is a veteran casualty and surety loss executive. For the past six years he has been with the Fireman's Fund, most recently at Chicago as superintendent of casualty and automobile claims in the western department. Before that he was general counsel of Pennsylvania Casualty and still earlier for a number of years with American Surety.

### Son Succeeds Father as Central Mutual Cas. Head

John G. Owen, who has been president of Central Mutual Casualty of Kansas City, has now been elected chairman of the board and his son, John B. Owen becomes president and general manager. The latter has been the executive vice-president and secretary.

### Cook Republic Chairman

Clare E. Cook, who has been secretary of Republic Indemnity of Columbus, O., has been named chairman to succeed the late Fred D. Connolly. Kenneth G. Norris was named secretary to succeed Mr. Cook. New directors are Maynard H. Donaldson and Joseph E. Shannon. The company reports 18% increase in net premiums.

### Scott Partner in Agency

Robert Scott, for four years a claim adjuster with Ohio Casualty, has become a partner in the R. B. Moore agency at Cambridge, O., taking the place of Frank deBauerenfeind, who has operated the agency with Mr. Scott's father, Orin C. Scott.

### Smale Succeeds Purdy

Michigan Mutual Liability has appointed W. J. Smale vice-president and director of safety engineering. He succeeds the late J. A. Purdy.

### Standard Promotes Stirling

James Stirling has been advanced from assistant manager to manager of the bonding department of the Detroit branch of Standard Accident. He joined Standard in 1940 at the home office and later that year was made bonding field representative for the Detroit branch. After army service he became Detroit branch field representative.

### Employers of Ala. Changes

L. A. Corcoran, vice-president of Employers of Alabama, has been elected a director.

John Crim was elevated from the position of assistant secretary to vice-president and Leslie Porter was appointed assistant secretary. Thomas J. Huey, Jr., manager of the fire insurance department, also was made an assistant secretary.

### Melrose, Allred Raised

American Surety has appointed Samuel H. Melrose, Jr., assistant manager at Portland, Ore. Mr. Melrose started with the company as a casualty underwriter at Seattle in 1947. The following year he was made superintendent

of casualty, and in 1950 was transferred to Portland as special agent and superintendent of casualty.

John B. Allred has been named special agent in Dallas. He started with the company as a special agent trainee last September.

### Boddeker to Tex. Casualty

Gammon C. Boddeker, formerly assistant vice-president of Traders & General, has joined the claim department of Texas Casualty of Austin. He has been in the business in Texas since 1924, having been with Commercial Standard and American Indemnity before going with Traders & General in 1934.

### Woodward in Wichita Post

Employers Mutual Casualty has appointed R. D. Woodward supervisor of claims at Wichita to succeed R. A. Englemann, who has been advanced to a more responsible position.

### Benedict to Great Falls

Home Indemnity has transferred James Benedict, special agent, from Seattle to Great Falls, Mont.

Vernon Williams, assistant manager at Los Angeles of Continental Casualty, has resigned and will enter the local agency business at Studio City, Cal.

Robert H. Cutler has resigned as state agent at Seattle of Transport Indemnity.

## COMPANIES

### New Amsterdam Officials See Hope for Profit in 1952

Although New Amsterdam Casualty suffered an operating loss of \$1,166,066 in 1951, the report to stockholders of Chairman J. Arthur Nelson and President J. Dougherty Mahon found a silver lining in the fact that the results of the last half of the year were far superior to those of the first half. During the first six months the incurred losses and expenses were 10% greater than the earned premiums. The improvement was a reflection of the fact that in July the first six months the incurred losses and expenses were 10% greater than the earned premiums. By the end of the year, however, the losses and higher premium rates became effective in some jurisdictions.

The two executives expressed the belief that there will be some profit on the underwriting in 1952 unless inflationary forces become more pronounced than they now are.

Net premiums earned were \$39,656,057, losses and claim expenses incurred \$26,877,545, expenses incurred \$15,106,430. The operating loss was \$1,166,066 and the net loss \$1,004,035. Capital is \$1 million, net surplus \$10 million, and reserve for contingencies \$9,524,066 which is a decrease of \$1,754,035.

### Western Companies Report Gains

Western Casualty & Surety and Western Fire set a new high record in 1951 in writing premiums of \$24,373,304, before reinsurance, a gain of \$3,738,496. Net premiums were \$22,055,000. After adding \$2,260,788 to unearned premium reserves, there was a statutory underwriting gain of \$35,953. Investment income was \$430,466 and \$161,715 was reserved for federal income tax liability, leaving net operating income of \$304,704. The increase in market value of securities resulted in a gain of \$126,986, and dividends of \$240,000 were paid, leaving a net increase in surplus of \$191,600.

Assets of the casualty company increased \$1,775,401 to \$19,297,899. Surplus to policyholders is now \$4,862,021.

## CASUALTY • FIDELITY • SURETY

*Excess Contracts and  
Reinsurance Treaties*

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**LLOYD'S DIRECT or EXCESS COVERS**

Fire — Liability — Cargo — Butane —  
Gasoline — Long Haul — Taxicabs



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Assets of the fire company increased  
\$1,455,000 to \$9,861,231 and its surplus  
to policyholders rose \$399,557 to \$3,415,-  
588.

## Maine Bonding & Casualty Ventures Afield; Enters Tex.

Maine Bonding & Casualty of Portland  
that heretofore has confined its opera-  
tions to its home state, has now ventured  
abroad and has entered Texas. The  
company will be represented for fire and  
casualty lines throughout the entire state  
by the H. L. Davis & Son general agency  
of San Antonio. R. A. Bramhall, presi-  
dent, and W. L. Luce, executive vice-  
president, have returned to Portland after  
completing the arrangements in Texas.

## Fine Results for Peerless

Operating results of Peerless Casualty  
for 1951 were highly satisfactory. Net  
premiums written were \$9,035,261, com-  
pared to \$7,000,301 in 1950. Assets  
reached \$14,420,547 as against \$11,973,-  
356 in 1950. Surplus was increased to  
\$2,864,229, with a surplus to policy-  
holders of \$4,264,229.

## Travelers' Dividend \$3

Travelers has declared a dividend of  
\$3 a share on its stock, payable March  
12 to stockholders of record Feb. 25.

## Now Financial Indemnity

Commissioner Maloney has approved  
the change of name of Associated Vet-  
erans Aircraft & Automobile of Los  
Angeles to Financial Indemnity.

## Adds Continental Casualty and U. S. F. & G. to List

Wellington Fund of Philadelphia, a  
large mutual investment company, in its  
new report shows investment in insur-  
ance company shares on Dec. 31 of  
\$3,931,220 as compared with \$3,196,765  
six months previously. Purchases of in-  
surance stocks in the last half year in-  
cluded 7,500 shares of Continental Cas-  
ualty, 400 shares of Continental Ins. Co.,  
2,400 shares of Fidelity-Phenix, 1,000  
shares of American and 6,000 U.S.F. & G.  
The holdings include 5,000 Aetna; 10,000  
American; 7,500 Continental Casualty;  
7,000 Continental; 3,400 Fidelity-Phenix;  
3,010 Fire Association; 19,000 Firemen's;  
15,000 Great American; 12,000 Maryland  
Casualty; 4,000 Phoenix of Hartford;  
6,000 U.S.F. & G.; 2,000 U. S. Guarantee.

## Midwest Safety Show Set

The annual midwest safety show  
sponsored by Greater Chicago Safety  
Council has been scheduled for May 5-8  
at the Congress Hotel, Chicago. John  
J. Ahern, director of fire protection and  
safety engineering of Illinois Institute  
of Technology, is program chairman.  
Insurance men on the program are  
Elmer F. Reske, manager, and Charles  
J. Shukes, engineer, of Cook County  
Inspection Bureau; Harry R. Thie-  
meyer, special representative of North  
America at Chicago, and J. A. Bono,  
associate engineer, Underwriters Lab-  
oratories.

Besides the various sessions on safety,  
there will be an exhibit on safety cloth-  
ing, equipment and devices.

## Revise Pa. W.C. Coal Rates

Commissioner Leslie has approved a  
revision of coal mine classification rates  
for workmen's compensation as proposed  
by Pennsylvania Compensation Rating  
& Inspection Bureau. The revision was  
necessitated by benefit increases passed  
by the 1951 legislature.

Rates for liability are approximately  
16% higher; however, there will be no  
change in rates for insurance of liability  
under the occupational disease act pend-  
ing further study. As a result, it is esti-  
mated that the overall rate hike will be  
about 13%.

## Three Executives of Mutual Benefit H. & A. Advanced

Three Mutual Benefit H. & A. execu-  
tives have been advanced in rank. Philip  
E. Horan, now vice-president and gen-  
eral counsel, formerly was general at-  
torney; Donald M. Madgett, vice-presi-  
dent, formerly assistant secretary, and  
Harold N. Swanson, promoted to as-  
sistant secretary from supervisor policy  
approval department.

Mr. Horan, a graduate of Creighton  
University law school, joined Mutual  
Benefit in 1927. Mr. Madgett also joined  
the company in 1927 at the Chicago of-  
fice. He is a trustee of Omaha Commu-  
nity Services. Mr. Swanson, a graduate  
of University of Nebraska, went with  
Mutual Benefit in 1936.

## No. American L. & C. Names Hunter Canadian Director

North American L. & C. has named  
Herbert Hunter, superintendent of in-  
surance for Manitoba, executive direc-  
tor of Canadian operations at Winnipeg.  
The company entered Canada in 1947  
and is now licensed in all provinces  
except New Brunswick.

## Discuss A. & H. at Newark

A. & H. coverages will be discussed  
at a joint meeting of the Newark  
C.P.C.U. and C.L.U. chapters March  
12. Speaker at the luncheon will be  
Ardell Everett, vice-president of Pru-  
dential in charge of A. & H.

## Names Hill General Agent

Massachusetts Protective has named  
Harry L. Hill general agent at Wash-  
ington, D. C., to succeed Homer N.

Nick, who will return to personal pro-  
duction.

Mr. Hill entered the business as a  
field assistant with Travelers. He later  
became assistant manager and manager  
of the life, accident and group depart-  
ment at New York City.

Last year, he joined Royal-Liverpool  
as home office representative at Boston,  
and later became regional superintendent  
of agencies there for Loyal Protective  
Life.

## World of Omaha A. & H. Premiums Increased 13.7%

A. & H. premiums of World of  
Omaha during 1951 were \$9,556,627, a  
13.7% increase over the 1950 figure.  
Life insurance in force rose from \$76,-  
214,000 in 1950 to \$134,120,000 last year.  
Payments to policyholders and bene-  
ficiaries during 1951 were \$4,029,679,  
compared to \$3,338,702 in 1950. The  
number of policyholders increased from  
220,684 in 1950 to 352,877. Assets at  
the close of 1951 were \$11,429,202 com-  
pared to \$9,168,028 in 1950. Surplus  
rose from \$1,651,824 to \$1,857,805.

## Six Join H. & A. Conference

Six new companies were admitted to  
membership in H. & A. Underwriters  
Conference at a meeting of the execu-  
tive committee in connection with the  
group meeting at Chicago this week.  
They are National Fidelity Life, Mas-  
sachusetts Casualty, American Guar-  
antee & Liability, Bankers Life of Ne-  
braska, Rural Mutual Casualty, Madison,  
Wis., and Security Mutual Life of Ne-  
braska. This brings the company mem-  
bership to 175.

Florabel Muir, columnist, spoke be-  
fore the A. & H. Managers Club of Los

Angeles on the juvenile narcotics prob-  
lem in Los Angeles.

## V. J. Skutt Is Featured

V. J. Skutt, president of Mutual  
Benefit H. & A., gave a talk on "Writ-  
ing of Disability Coverages by Life  
Companies" at a dinner meeting of In-  
surance Institute of Nebraska at  
Omaha. W. L. Packard of Security  
Mutual Life of Lincoln, president of  
the institute, presided.

## W. N. Lowe Loses License

Insurance Director Day of Illinois  
announces revocation of the agent's and  
broker's licenses of Wm. N. Lowe, do-  
ing business as Progress Insurance  
Agency, of Chicago.

The action was taken following a  
formal hearing held by the department.  
Mr. Lowe formerly was president of a  
reciprocal known as Progress Insurance  
Assn., which has been placed in liquida-  
tion. Mr. Lowe was convicted in the  
criminal court of filing a false annual  
statement with the state. The state-  
ment, reporting as assets government  
bonds in which the association had no  
real interest, was used in an effort to  
conceal the fact that the concern had  
become hopelessly insolvent. A depart-  
ment examiner discovered the fraud.

Mr. Day notes that the director has  
authority to revoke brokers' or agents'  
licenses where a licensee has wilfully  
violated an insurance law, has been  
guilty of fraudulent or dishonest prac-  
tices, or has not demonstrated trust-  
worthiness or competency to act as in-  
surance agent, broker or solicitor in  
such manner as to safeguard the public.

Wilburn M. Weir, field representa-  
tive of Aetna Casualty at St. Louis, is  
lecturing on comprehensive personal in-  
surance at the Feb. 21 meeting of the  
insurance class of the Illmo-Fornfelt  
Consolidated school at Illmo, Mo.

## Citizens Casualty Company of New York

(A Stock Company)

### Home Office

116 John Street, New York 38, N. Y.

### FINANCIAL STATEMENT

December 31, 1951

#### ASSETS

Cash in Banks and Offices	\$ 396,534.88
U. S. Government Bonds	1,269,862.39
State, County and Municipal Bonds	1,591,507.64
Other Bonds and Stocks	420,848.25
First Mortgage Loans	13,610.00
Real Estate	4,271.15
Accrued Interest	15,798.07
Premiums in Course of Collection	256,289.48

**TOTAL ADMITTED ASSETS** \$3,968,721.86

#### LIABILITIES

Reserve for Losses and Loss Expense	\$1,860,017.00
Reserve for Taxes and Other Liabilities	197,298.70
Reserve for Unearned Premiums	601,980.69
Funds Held Under	
Reinsurance Treaties	87,154.07
Capital	\$600,000.00
Surplus	622,271.40
Surplus to Policyholders	1,222,271.40

**TOTAL** \$3,968,721.86

Securities Carried at \$516,279.11 in the Above Statement are Deposited  
as Required by Law.

Bonds and stocks are valued in accordance with the basis adopted by the  
National Assn. of Ins. Commissioners.

## H. & A. Group Meet Sets Attendance Mark

(CONTINUED FROM PAGE 21)

he had preempted the field, and had brought forth the points at issue and which are bothering the companies.

Mr. Joanis asked Mr. Vanderwarker: There has been, generally speaking, an increase in hospital costs in the last ten years of 1% a month. If this situation is now leveling off, what is being done to keep costs level or to lower them?

—Are hospital administrators properly allocating charges? Do room and board charges pay their own way, or do "extras" pay for part of the room and board costs?

—What are hospital administrators doing to keep the doctors from putting patients in the hospital simply because it is more convenient for the doctor to treat his patients that way?

—Do hospitals charge all users of their facilities equally? Do the so-called public patients pay more or less than their share?

—Does Blue Cross get a discount from the hospitals?

—Do cash and commercially insured patients pay for those persons not paying their way?

—What is the attitude of hospital administrators to company hospital admissions plans, and what are they doing to make them work, or is there favoritism to Blue Cross?

### Asks About Doctor's Practices

Dr. Magnuson was asked:

—Of two people earning \$2,400 a year, one is insured and the other not. Does the doctor in any way distinguished between these two persons when they come into his office?

—Does the presence of insurance change the procedures the doctor goes through on any particular patient, such as in making extra tests, etc?

—How much medical care can the

public as a whole afford?

—Does the doctor feel the patient hasn't gotten his just desserts from the insurer until the policy benefits are exhausted? How far have the doctors gone to understand the insurance principle?

—What does Dr. Magnuson's study commission plan to do, and show does it plan to go about its work?

Two or three of these queries were answered by Mr. Jones in his remarks concerning Blue Cross. Blue Cross in 1951 had 41½ million people enrolled, he said, and had a premium income of \$575 million. More than \$500 million was paid to hospitals under policy benefits, and the total payments to hospitals and reserves set up amounted to 92% of income. Blue Cross contributed about 28% of the income hospitals received last year, he declared.

Mr. Jones said he talked a few days ago with the manager of a 500-bed Detroit hospital which got 76.4% of its income from third parties such as welfare agencies and insurers, and had broken down the sources. Blue Cross accounted for 49.9% of this income; commercial insurers 20.2; industrial accidents 3; all indigent persons 3.3. The non-insured, non-sponsored, cash-paying patients accounted for only 23.6% of the hospital's income. The significance of third party payments is growing, Mr. Jones pointed out. Blue Cross, one of the heaviest contributors to hospital income, is watching the percentage of its income paid to hospitals increasing while the plans reduce their operating expenses to compensate. Some plans are operating at 5%, he said, and are facing the serious problem of how to limit outgo.

Blue Cross has tried three methods of solving the problem: Higher rates

(the most popular); limitation of benefits, and control of over-utilization.

Hospital expenses aren't beginning to level off, Mr. Jones asserted.

Referring to the question of doctors placing too many patients in the hospitals, Mr. Jones said this problem is one of unwitting commission by doctors, who are prone to say, "Well, you have Blue Cross, so naturally you'll go to the hospital." Any good results in clearing up this situation will come primarily from education, he commented, particularly from staff meetings at the hospitals.

Blue Cross does get a discount in some areas, Mr. Jones admitted. It is based on the hospital collection experience; for example, if the hospital collects 90% of its bills, Blue Cross gets a 2% discount. This is a very limited practice. In cases where Blue Cross pays the hospital on the basis of costs, and considering that costs exceed charges in most areas, Mr. Jones said the non-Blue Cross patient actually gets a better break.

Mr. Vanderwarker said he was "delighted to have the chance to answer" Mr. Joanis' questions. He was quite frank in his replies, and attempted to cover all the queries not answered by Mr. Jones.

### Payroll Is the Headache

The biggest reason for the increase in hospital costs, he said, is payroll. Hospital services are personal, there is a large portion of the work that cannot be eliminated or taken over by labor saving devices. Payroll is 60 to 70% of hospital cost, and payroll is up more in hospitals than elsewhere because of inflation and because the hospitals are confronted (after years of being notorious poor employers) with a tight labor market. They must pay more to get help, and at the same time are in a new era of medicine which demands specialists and more personnel than ever before.

Are charges properly allocated? No, Mr. Vanderwarker admitted. Room charges usually are too low, and the difference is made up in x-rays, pharmacy, and laboratories. That is traditional practice. The room and board item is the largest one on the bill, and the hospitals have been reluctant to notch it up, when it was easier to hide the increase in the extras column.

As to keeping the doctors from putting too many people in the hospitals, Mr. Vanderwarker said there is a shortage of beds for serious cases, and to his knowledge the number of diagnostic patients is very low.

Are all patients charged equally? No, again, he said. Indigents and welfare agency sponsored people, and some others, pay about \$4.50 a day less than cost. The cash patients pay the difference and also contribute to education in the form of nursing schools.

### Friendly to Insurers

The attitude of hospital administrators toward the commercial insurers is friendly, Mr. Vanderwarker said, commenting, "They help pay the bill." He cited the cooperation of the hospitals with the admissions plans as an example of the hospitals' attitude.

Dr. Magnuson was not so specific in his replies. He admitted that he has gotten out of touch with some of the problems. As to different charges for insured and non-insured, the doctor said, "If my charge were \$25 normally, I would charge at least \$50 if I had to fill out an insurance claim blank." He said young doctors are prone to overvalue their services, but in his opinion the problem is not so much doctors' fees as its hospital charges. He mentioned the number of tests and laboratory treatments the hospital patient is given, many of which are routine in the hospital and are given without the doctor's orders. At the same time, Dr. Magnuson argued that a competent doctor is worth a good deal of money, and he criticized insurance company fee schedules.

Dr. Magnuson said he favors strongly the deductible idea for accident and health insurance so the companies won't have to pay for "the day to day things people go to the doctor for."

He went into some detail in describing the commission he heads which is to study the health needs of the nation and report to President Truman in a year. Dr. Magnuson said he demanded that the President give him a free hand, and that he informed Mr. Truman that he wanted no part of Oscar Ewing's (head of the federal security administration) plan, nor did he want anyone on the commission who was presently employed by the government.

The commission is dedicated, he declared, to the good of America. It is honest and "will turn in a better job than anyone else ever did." The commission is "not running any secret societies," the doctor added, and it will release reports from time to time as they appear and without trying "to promote anything or anybody."

Mr. Pauley reminded the company men that they have responsibilities some of their problems are to be solved. He asked for a show of hands of the number of insurance men serving on the boards of their local hospitals. Only one person in an audience of perhaps 400 answered affirmatively. Only about 30% of the audience know the hospital administrator in their home towns, and only about 15% know the president of their local medical societies.

## GROUP FUNDAMENTALS

The entire session Tuesday morning was given over to a discussion of the fundamentals of group insurance, with Roy A. MacDonald, conference assistant director, presiding.

In discussing "Qualifications of a Group," W. L. Miller, group and salary savings department supervisor of Northern Life of Seattle, mentioned the difficulty in getting 75% participation on association type cases where the individual insured pays the entire premium. This is a difficult kind of case to qualify because it takes a real salesman to sell three out of every four persons an insurance program, particularly when a premium for a reasonably complete plan including dependents may run from \$10 to \$15 a month. Where there is no payroll deduction on this type of case, Mr. Miller said the agent often finds himself having to take the responsibility for making the collections.

"In recent years there has been a debatable liberalization of benefits and those entitled to receive group benefits," he said. Not only do employer-employee group cases qualify, but unions, professional associations, farm bureaus, educational leaders, students, athletes, municipal employees, federal employees, and even one group of pawn brokers. "If we keep on this liberalization, maybe we will need the services of that particular association," Mr. Miller commented.

### Benefits at New Highs

Benefits for special service and catastrophic coverage are soaring to new heights. On a bull market high benefits are defensible, but the question of calling a halt must be considered. Income disability also has its inflation problems. With no pro rata clause in most group contracts, a man earning \$60 a week and insured under a group plan for \$40 a week, tax free, may be tempted to mangle, particularly if he also has an individual policy.

It is difficult in group underwriting to fix the rate for catastrophic coverage plans, Mr. Miller said. If a company took a theoretical incidence of two lives insured, and the incidence proved to be three out of a thousand instead of two, the rate would be off 50%. Until there is more experience to guide underwriters in the matter of limitations and what the rates should be, it would seem wise to be careful about writing plans

## USE YOUR OWN COMPANIES WHEN POSSIBLE

Otherwise Let Us Help You with Your Unusual  
or Difficult Problems—

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1952

# Lloyd's London

## R. B. Jones & Sons Inc.

C. REID CLOON, Manager

175 W. JACKSON BLVD.

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## MENTALS

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providing high limits or unlimited cover-  
age in the catastrophic field, he asserted.  
"For the present it appears to be very  
much of a gamble which some com-  
panies may be willing to take, even  
though it may involve the question of  
writing your own ticket and hoping for  
the best."

Mr. Miller mentioned the confusion  
that has occurred since the freeze on  
group plans by the wage stabilization  
board, and said in his opinion that "state  
compulsory disability plans were the  
back door and wage stabilization regu-  
lation 19 and resolution 78 are side doors  
to a determined political program for  
national health insurance, plus socialized  
medicine controlled by the federal gov-  
ernment."

### Discusses Cost Factor

Donald D. Cody, group actuary of  
New York Life, delivered a paper on  
factors affecting costs in group insur-  
ance. He listed seven requirements  
which, if met, might produce a group  
that would permit efficient administra-  
tion with resultant low expenses and  
predictable claim costs. These are: 1.  
The group must be a permanent one  
strongly held together by a mutual in-  
terest other than insurance and must be  
fed by a steady stream of young new  
entrants. 2. There must be full employer  
cooperation and a single central agency  
to administer the insurance. 3. There  
must be an automatic collection routine  
like payroll deduction. 4. Employee  
contributions must be reasonable and em-  
ployer contributions must be compatible  
with employer's operating margins. 5.  
There must be a substantial enrollment.  
6. There must be no individual collec-  
tion. 7. The benefits must be at a rea-  
sonable level.

If there is any substantial departure  
from any of these requirements, Mr.  
Cody said, the plan is likely to prove  
unsuccessful because of high adminis-  
trative expenses and pyramiding claim  
costs. Companies which flaunt these  
requirements in connection with any  
substantial portion of their business will  
have very high retentions, because of  
accumulating underwriting losses espe-  
cially on terminating groups, he asserted.

There are a number of specific factors  
affecting claim costs in a group which  
might fully meet the requirements of  
true group insurance. Among the im-  
portant ones are general environment  
and industrial health conditions. The  
industrial accident hazard primarily af-  
fects medical care and accidental death  
and dismemberment coverages which  
provide for 24-hour coverage.

The percentage of females is a well  
known item in determining claim experi-  
ence. Age composition of the group is  
important and if the average age gets  
concentrated over 50, there will be a  
radical affect on weekly indemnity and  
the medical care coverages, although  
the affect on surgical expense insurance  
is not marked. Inclusion of retired em-  
ployees in medical care coverages is  
especially important. Mr. Cody said  
claim costs at high male ages on vari-  
ous coverages related percentage-wise to  
average claim costs on standard groups  
distributed as to age are roughly as  
follows:

Ages	Weekly Indemnity %	Hospital %
50-54	130	125
55-59	160	150
60-64	210	175
65-69	275	200
70 and over	400	300

Most rates for dependents coverage  
are calculated upon assumed family  
composition of 35% wife only, 63% wife  
and children, and 2% children only. To  
the extent that the standard distribu-  
tion is not matched in a particular case,  
costs will be relatively different.

In the higher salaried groups, hospital  
expense cover will bring higher claims;  
in catastrophic medical expense coverage,  
salary is probably a more important  
factor than age, since higher salaried  
people utilize medical facilities exten-  
sively and are charged higher fees.  
Hospitals vary as to their practices in

offering additional services and making  
charges for rooms. Under the full reim-  
bursement coverages hospital practices  
can be of extreme importance.

A company which has a record of  
labor unrest and strikes, is likely to have  
a very bad weekly indemnity experience,  
Mr. Cody said, and hospital and surgical  
expense may run higher because em-  
ployees have time to take care of post-  
operable surgery.

Speaking on "Fringe Benefits," T. H.  
Kirkpatrick, vice-president and superin-  
tendent of group department of Paul  
Revere Life, said that while labor and  
WSB refer to all group coverage and  
similar plans as fringe benefits, he in-  
tended to confine the subject to addi-  
tional benefits which are still on an  
experimental basis, such as polio, labo-  
ratory and x-ray, inclusion of ambu-  
lance with hospitalization and extension  
of the surgical schedule.

The main point to be considered is:  
Is it an insurable benefit? There is a  
tendency to feel that such a benefit may  
not amount to much and it isn't neces-  
sary to be too careful about it. It is  
also necessary to define the benefit ex-  
actly. There are bound to be many bor-  
derline situations arise. Evaluation of  
the risk as far as possible is important.  
In most cases there are no statistics  
available but it is desirable to take ad-  
vantage of all indications as to future  
costs.

He emphasized the importance of in-  
doctrinating the company's entire organ-  
ization, and especially the sales force, in  
regard to just what these additional ben-  
efits mean. Too often the salesman is  
apt to feel that they will solve all his  
problems.

Inasmuch as these benefits are all still  
on an experimental basis, Mr. Kirk-  
patrick urged cooperation among com-  
panies in regard to their experience on  
these lines.

### Transfer Business

In discussing transfer business, G. R.  
Jordan, vice-president and manager  
group department Republic National  
Life, asked why there should be any  
such thing. He said a change in carrier  
often means a loss to all concerned.  
There may be cases where it is justi-  
fied, but they are exceptions, he said.

Where it is possible, he said it is  
desirable to get some information about  
the experience of the previous company.  
He said the fact that the group has had  
coverage for some time does not reduce  
the loss ratio. If the experience has  
been unfavorable, it is likely to continue  
that way.

"There is merit," he said, "in the idea  
of properly servicing a case, educating

the employer as well as the insured em-  
ployees to the benefits of the plan and  
its purpose, yet if the premium is not  
adequate, our experience will be the  
same as the previous carrier.

"At this time, when hospital and doc-  
tors' charges are continuing to increase,  
it is futile to think we can rewrite a  
case with added benefits over the previ-  
ous carrier without considering an in-  
creased premium.

"We have found that it is not possible  
to take away any benefits from the em-  
ployees. On the contrary, the demand is  
for increased benefits, and it is here  
that we must carefully underwrite the  
case if it is to be profitable. This means  
in every instance an increase in pre-  
miums and a liberal claim department."

He mentioned certain problems that  
must be considered, especially mater-  
nity and employees on leave of absence.  
He said there is a responsibility to the

public to be sure that the employee is not  
adversely affected and that point must  
be taken into consideration in making  
any adjustments.

### Methods of Claim Control

J. E. Hellgren, vice-president Lum-  
bermens Mutual Casualty, took up claim  
control. He emphasized that considera-  
tion of over-all results is not sufficient.  
He said it is necessary to set up a  
system to analyze the company's experi-  
ence and that, after all, "there is no  
substitute for your own experience."

He outlined the different divisions and  
bases of comparison that can be used  
and told something of the plan which  
his company has followed. He said com-  
panies generally are too hesitant about  
raising rates when the experience is un-  
favorable. Reducing benefits is not easy,  
although it may be done in some cases  
as to certain specific coverages. It is

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always difficult to take something away from the employee. However, a discussion of this possibility may serve as an opening wedge to bring up the subject of a rate increase. He also emphasized that companies can not cancel cases at will.

As to the cost of setting up a system of claim control, he said that the equipment is expensive but if it serves to bring about a material reduction in claim ratios it is well worth while.

He commented in conclusion, however, that no matter how bad the experience may be, there will probably be another company that will be ready to disregard the facts and take the case, possibly at a lower premium and with higher benefits.

#### Renewal Underwriting

Speaking on renewal underwriting, G. I. Hillard, group department agency supervisor of Washington National, stressed the importance of a thorough review of each case before it comes up for renewal. As any changes have to be made on the anniversary date, this means that the study must be made at least a month before that date, with probably only nine or 10 months' experience available.

Among the factors to be studied he mentioned unstable employment, malingering, relation of weekly indemnity to take-home pay, too short waiting periods, number of female and over-age employees, low percentage of participation, method of administration, whether plan is contributory or non-contributory. He said experience for one year on small groups is not reliable. There should be at least two years there, although one is long enough for larger groups. He mentioned that a longer experience is required in group life than in A. & H.

On the question of dividends or refunds, he said they may be paid in cash, used to reduce future premiums or to provide additional benefits. He urged great caution in the use of the last named method.

In the question period, it was brought out that in renewal of business a company is facing possibly new hazards and that the situation that existed when it was first written may no longer apply.

The question was brought up as to the possibility of reducing payments to the extent of Blue Cross benefits where such coverage exists, if the policy is on a strict reimbursement basis. While it is possible under catastrophe plans, the consensus seemed to be that it would be difficult under regular group plans.

There was also considerable discussion of reserves for deferred maternity benefits, and the basis on which several companies set up such reserves was brought out.

#### Eight Speakers Wednesday

E. C. Voigt, Lumbermen's Mutual Casualty, presided at the Wednesday morning session at which talks were given by E. H. O'Connor, Insurance Economics Society, on "Legislative Trends;" G. N. Watson, Crown Life, Wendell Millman, group manager of New York Life, who discussed "Getting Into the Group Business;" John Pan-chuk, vice-president of Federal Life & Casualty, on "Are War Injuries Occupational?" and James R. Williams of the conference staff.

Some comments on the British Columbia compulsory hospitalization insurance plan were given by G. N. Watson, group actuary of Crown Life of Canada, who remarked that the troubles and failures besetting the plan have helped, confirm insurance theory and practice.

The government has had to subsidize the plan, which started out originally offering almost unlimited benefits for amazingly low rates. Although the rates have been increased and some of the benefits withdrawn or revised, Mr. Watson said they probably are still inadequate, especially those for family groups.

In British Columbia the government sought to make its hospitalization plan a successful enterprise standing on its own feet, "but in the process ignored everything known about group insur-

ance and insurance principles . . . I prefer to regard it as a bold experiment skillfully set up and performed, yet flying in the face of the facts as known to insurance people."

Rates for a single person are now \$30 and for a family they are \$42. Mr. Watson said that indications are that the charge for an individual is probably adequate, but for a family the rate is about 50% too low. However, the government has difficulty increasing rates since already there is a good portion of the population that refuses to pay any premiums, and if the rate goes up that minority will grow. It, therefore, appears that a government subsidy will always be required, or the plan must be revised to meet the requirements of insurance underwriting, Mr. Watson said.

#### Williams Tells of Progress

At the Wednesday morning session, James R. Williams, conference assistant director in charge of public relations, described progress that has been made with the hospital admissions plans set up under the auspices of Health Insurance Council.

This is the procedure that allows group policyholders to gain admission to the hospital and tell the hospital succinctly what amount of benefits they are insured for. Through an assignment the plans provide direct payment to the hospitals of insurance benefits, and by use of a standard claim form they simplify administrative details for hospital credit departments.

There are two different plans, the type used at Chicago which employs a central card index system, and one in New Jersey which provides for confirmation of benefits to originate from the employer. Most of the plans follow the New Jersey pattern, and Mr. Williams said that in time it may be that all plans will be of that variety.

Several companies were questioned by Mr. Williams about their experience with hospital admissions plans. On an average, the companies are participating in 16 of the 24 plans, and their answers, therefore, represent a cross-section of opinion. It was the consensus, Mr. Williams reported, that the plans have not increased loss ratios to any extent. None of the companies have experienced much difficulty in securing cooperation from group policyholders. All of the companies felt the existence of an industry program had improved the individual company's relationship with the hospitals.

"I might also point out," Mr. Williams continued, "that to the best of our knowledge, no hospital has lost a penny as a result of participation in these plans. On the contrary, I can cite examples where a hospital has been paid by an employer or insurance company, though under interpretation of the policy, liability did not exist."

Catastrophic medical expense insurance was discussed at the final session with Porter A. Bywaters, Jr., Employers Casualty, presiding. The speakers were Alan Thaler, assistant actuary of Prudential; Charles Probst, group department actuary of Connecticut General Life, and A. M. Wilson, group underwriting manager of Liberty Mutual.

#### Discuss Traffic Problems

The automobile accident problem and measures to improve the experience in Oregon were discussed at a luncheon meeting of Portland (Ore.) Assn. of Insurance Agents. Discussion leaders were President Harold B. Larson of the Oregon association, Harold S. Hays, Leonard M. Adams of Beaverton, chairman of the state association legislative committee, and E. M. Stadel, executive secretary.

Plans are being made by New Jersey insurance women for what is expected to be one of the largest gatherings ever for a regional conference of insurance women in the New England states, New York, Pennsylvania and New Jersey. The meeting is scheduled for March 28-30, at Asbury Park. There will be several prominent speakers. Anne Ritchie, Newark, is general chairman.

## O'Connor Reviews Progress of State Cash Sickness Plans

Since 1945, when the subject of state sickness compensation began to develop, more than 200 bills on the matter have been introduced in 26 states, E. H. O'Connor, managing director of Insurance Economics Society, stated in his address at the group meeting of Health & Accident Underwriters Conference at Chicago. He attributed the trend toward compulsory sickness legislation to two factors: The desire on the part of labor leaders and the activities of federal security agency.

The FSA has carried on an active campaign on behalf of sickness compensation, Mr. O'Connor said, and besides preparing extensive brochure material, has even furnished model bills.

He took issue with the thought that state cash sickness plans will aid in the sale of more A. & H. insurance as supplementary benefits. Those who make that assertion, Mr. O'Connor declared, erroneously point to the theory that social security has aided in the sale of life insurance since 1937. "The record does not confirm this," he said. "According to the 1950 Fact Book of Life Insurance published by the Institute of Life Insurance, in 1938, one year after social security became effective, life insurance purchases were \$1.3 billion less than in 1937, and in 1939 were \$309 million less than in 1938. Life insurance purchases did not begin to show any decided improvement until 1943, six years after the social security act became effective. It is recognized that by 1943 we had full employment and high wages, both conditions creating more and more purchases of life insurance."

#### Lead to Federal Plan

There is a divided opinion among insurance men as to what state sickness plans might lead to. One group maintains that they eventually will prevent a national system of sickness compensation, while the second group believes that if compulsory systems are adopted in 12 or 15 states, this will set the pattern for a federal plan. "The latter viewpoint appears logical," Mr. O'Connor observed. "We now have four state plans in operation and three of them are distinctly different. If this trend were to continue, the natural reaction would be for one system."

Briefly reviewing the four plans now in existence, Mr. O'Connor commented: "The Rhode Island monopolistic state plan has never been anything to brag about. It has had five deficits in nine years and for the years 1949, 1950 and 1951, it has paid out \$1,342,948 more than it received in taxes."

#### Companies Losing Out in Cal.

A significant trend is taking place in California, he said. Contributions which were nearly \$29 million in the second half of 1946 declined to less than \$16 million in the first half of 1951. Benefits which amounted to less than \$9 million in the first half of 1947 are fast getting to a meeting point and will shortly outstrip contributions. However, the California state fund has substantial reserves which creates the desire at each legislative session to liberalize the benefits. Mr. O'Connor remarked that it would not be surprising to see the act further liberalized to include surgical fees and medical care without any increase in the contribution.

"To date the liberalization of the original law passed in 1946 is having the effect of narrowing the competitive margin of private companies," he continued. "It is just a question of how long the private insurance companies will be able to write UCD business in California. Some believe the handwriting is already on the wall; others say two years and the state will have a monopoly."

In New Jersey, at the end of 1951

the number of workers covered by private plans totaled 989,500, an increase of 67,000 during the year. Since the law went into effect three years ago, the maximum benefit rate has been increased from \$22 weekly to \$26. The present legislature, now in session, is expected to increase the weekly benefit to \$30. This has been recommended by a special legislative committee and has been endorsed by the governor, and Mr. O'Connor said that nothing further remains but to "snap the whip and raise the ante."

Since the New York law began to pay benefits in July of 1950 there have been almost 100 bills in the two following legislative sessions recommending changes. One of the bills in the present session calls for a raise in the minimum weekly benefit to \$30. This proposal has the approval of the governor and will no doubt be adopted.

"This brief summary serves as a reminder," he commented, "that disability compensation programs are still in the experimental stage. Rhode Island is struggling with inadequate financing and the problem of reducing benefits. In contrast, California and New Jersey with their surpluses are liberalizing benefits. This creates a problem for the private companies, which must increase benefits if they are to remain in the picture."

#### No New Laws This Year

Mr. O'Connor said that he does not believe that any new laws will be enacted this year. In Massachusetts there is the usual tussle, but the bills will probably be turned down, since the governor in his legislative report for the first time in four years omitted any reference to cash sickness compensation and was specific in asking the legislatures to avoid any new taxes.

In Connecticut there is a study commission which is about to survey the amount of coverage now in effect on workers in the state. There may be some proposed legislation there in 1951. In Pennsylvania a study commission was set up under a resolution in 1951, but no action has been taken yet. There is a cash sickness compensation bill pending in Arizona, similar to the California plan. It is still in committee and may not be given consideration.

## Says State Rules Apply to Federal Housing Projects

SEATTLE—All federal housing projects in Washington, whether owned by federal housing authority or local authorities, must be insured in accordance with rating requirements of the Washington insurance code, according to a ruling of Commissioner Sullivan. The ruling, based on an opinion from Attorney-General Troy, clarified a previous ruling which did not apply to insurance where the federal government was the sole owner of the property concerned.

The new opinion leaves no doubt that all types of housing projects are subject to rate control. Binders which have been in effect on at least one housing project in Washington included a stipulated amount clause, which is not permitted under rules of Washington Surveying & Rating Bureau.

The current controversy concerning placement of fire insurance on housing projects had its origin with the public housing administration in Washington, D. C. The agency has insisted that local housing authorities issuing bid calls for fire insurance specify that a stipulated amount clause or no average clause be used.

At first an attempt was made by the federal agency to short-circuit the Washington insurance department by insisting that state regulations do not apply to the projects. When this failed, the national authority suggested use of Firemen's Mutual of Providence, R. I., to write local projects. This is a deviating company and except for three or four classes, it does not require coinsurance.

The Powell Realty Co. agency at Issaquah, has purchased the W. A. Wheeler agency.



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F A M O U S   A M E R I C A N   H O M E S

## The Horseshoe House

*of Far-Away  
Island*



ACCORDING to an Indian myth, a mighty giant who used Cape Cod for his bed flung his moccasins into the sea because they were full of sand. The one nearest the mainland became Martha's Vineyard and the other Nantucket which in the Indian tongue meant the Far-Away Island.

The first white settlement on Nantucket was formed by a group who in 1659 bought the island from Thomas Mayhew of Martha's Vineyard; his price was thirty pounds and "two Beaver Hatts, one for myself and one for my wife." Leader of the settlers was Tristram Coffin of Salisbury, Massachusetts, whose family became one of the most prominent on the Island.

For a time the island was torn by a feud between Tristram Coffin and John Gardner, but the breach was healed by the marriage of Tristram's grandson Jethro Coffin and John Gardner's daughter Mary. As a wedding present, Mary's father gave land and Jethro's gave lumber for a home. Built in 1636, this house is now Nantucket's oldest and gets its name from the odd-looking chimney ornament, believed by some to be meant for a horseshoe.

One night in Jethro's absence a drunken Indian who had hidden in the attic fell through the loose board floor to a closet beneath. The crash awakened Mary who saw him emerge from the closet and squat on the hearth where he began sharpening his knife. In terror, she seized

her baby and fled in search of help. The Indian was in close pursuit but he plunged headlong down a flight of stairs to the hall below where Mary's rescuers found him lying in a stupor. As Nantucket Indians never made trouble except when under the influence of liquor he was released.

In the 19th century Nantucket became the country's leading whaling center and, though its population never reached 10,000, at one time it was the third richest municipality in Massachusetts. Whaling ships from the Far-Away Island girdled the globe, their hard-won cargoes bringing wealth to most of the island's families.

In the possession of the Coffin family for many years, the Horseshoe House is now owned by the Nantucket Historical Association.



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